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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
PR Health Corporation

Doing business as
First Care Health Center

Number and street (or P O box if mail is not delivered to street address) | Room/suite
PO Box I 115 Vivian Street

City or town, state or province, country, and ZIP or foreign postal code
Park River, ND 582700708

D Employer identification number
45-0232743

E Telephone number
(701) 284-7233

G Gross receipts $ 10,835,766

F Name and address of principal officer
Louise Dryburgh
PO Box I 115 Vivian Street
Park River, ND 582700708

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 firstcarehc com

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

L Year of formation 1952

M State of legal domicile ND

Part I Summary

1 Briefly describe the organization's mission or most significant activities
Operation of acute care hospital serving the healthcare needs of individuals residing in the Park River, North Dakota service area

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	11
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	11
5	Total number of individuals employed in calendar year 2014 (Part V, line 2a)	**5**	102
6	Total number of volunteers (estimate if necessary)	**6**	31
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	281,748	314,482
9	Program service revenue (Part VIII, line 2g)	8,646,735	10,462,539
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	22,220	22,333
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	29,016	26,925
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	8,979,719	10,826,279
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,032	2,045
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)	3,830,278	4,140,511
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)	5,074,317	5,747,958
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	8,905,627	9,890,514
19	Revenue less expenses Subtract line 18 from line 12	74,092	935,765

Revenue

Expenses

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	12,238,304	12,584,951
21	Total liabilities (Part X, line 26)	7,357,258	6,769,121
22	Net assets or fund balances Subtract line 21 from line 20	4,881,046	5,815,830

Net Assets or Fund Balances

Part II Signature Block

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

Sign Here

****** | 2015-09-17
Signature of officer | Date

Louise Dryburgh Administrator
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
LISA CHAFFEE CPA	LISA CHAFFEE CPA	2015-09-17		P00193453

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

Firm's address ▶ 4310 17TH AVE S PO BOX 2545
FARGO, ND 581082545

Phone no (701) 239-8500

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

To continue the healing mission of Jesus in a rural setting We are committed to A respect for each person, A caring, Christian environment, Professional excellence, Promoting healthy communities, Personal service, and an Innovative spirit

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 $ 8,868,677 including grants of $ 2,045) (Revenue $ 10,462,539)

First Care Health Center is dedicated to carrying out the healing mission of Jesus In calendar year 2014, First Care Health Center provided acute care to 221 patients This constituted 690 days of care The swing-bed program at the health center provides skilled nursing care for the elderly This program provided service to 120 patients, accounting for 1,712 days of care First Care Health Center provides health care to the community in the form of outpatient services In calendar year 2014, outpatient visits totaling 18,968 were provided to the community In addition, there were 10,833 visits to First Care Rural Health Clinic As part of the mission of First Care Health Center, we provide health care to persons who are unable to pay for the services that they receive First Care Health Center will not deny care to anyone based on their ability to pay Charity care, based on charges foregone, in the amount of $78,000, was written off for qualified individuals Gross revenue from Medicare and Medicaid patients for calendar year 2014 were $6,878,254 Due to the limited reimbursement from these programs, the cost of these services to the hospital is not fully reimbursed

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** ▶ 8,868,677

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	Yes	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e		No
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a	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	Yes	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		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	12		
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	102		
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	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b	Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .		7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
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**	11		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	11		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**			No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**			No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**			No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**			No
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

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

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

Section C. Disclosure

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

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

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

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

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

▶Layne Ensrude CFO

115 Vivian St
Park River, ND 58270 (701) 284-4540

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) Susan Phelps Chair	1 00	X		X				0	0	0
(2) Julie Gemmill Vice Chair	1 00	X		X				0	0	0
(3) Wes Welch Secretary	1 00	X		X				0	0	0
(4) Kristi Brintnell Director	1 00	X						0	0	0
(5) Dan Koenig Director	1 00	X						0	0	0
(6) Jerry Lindell Director	1 00	X						0	0	0
(7) Julie Zikmund Director	1 00	X						0	0	0
(8) Arvid Knutson Director	1 00	X						0	0	0
(9) Fr Gary Luiten Director	1 00	X						0	0	0
(10) Harold Myrdal Director	1 00	X						0	0	0
(11) Ann Pohanka Director	1 00	X						0	0	0
(12) Louise Dryburgh Administrator	40 00			X				132,878	0	4,724
(13) Layne Ensrude CFO	40 00			X				103,954	0	5,492
(14) Tamara Clemetson Physicians Assistant	40 00					X		145,514	0	11,012

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			

1b	**Sub-Total**			
c	**Total from continuation sheets to Part VII, Section A**			
d	**Total (add lines 1b and 1c)**	382,346	0	21,228

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 ▶3

			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
Joel J Johnson MD PC, 115 Vivian St Park River, ND 58270	Physician Services	892,914
My Doctor Johnson PLLC 115 Vivian St Park River, ND 58270	Physician Services	252,290
Northern Tier Anesthesia PO Box 447 Grafton, ND 58237	Anesthesia	100,750

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 ▶3

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	1,085			
	d	Related organizations . . .	1d				
	e	Government grants (contributions)	1e	197,571			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	115,826			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		314,482			
Program Service Revenue			Business Code				
	2a	Patient Service Revenue	622110	10,346,084	10,346,084		
	b	Supporting Revenue	900099	102,538	102,538		
	c	Auxiliary Revenue	900099	13,917	13,917		
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		10,462,539			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		22,333			22,333
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					
			(i) Real	(ii) Personal			
	6a	Gross rents	3,760				
	b	Less rental expenses	0				
	c	Rental income or (loss)	3,760				
	d	Net rental income or (loss) . . . . . ▶		3,760			3,760
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory					
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss) . . . . . ▶					
Other Revenue	8a	Gross income from fundraising events (not including $ 1,085 of contributions reported on line 1c) See Part IV, line 18 . .	a 32,652				
	b	Less direct expenses . . .	b 9,487				
	c	Net income or (loss) from fundraising events . . ▶		23,165			23,165
	9a	Gross income from gaming activities See Part IV, line 19 . . .	a				
	b	Less direct expenses . . .	b				
	c	Net income or (loss) from gaming activities . . ▶					
	10a	Gross sales of inventory, less returns and allowances .	a				
	b	Less cost of goods sold . .	b				
	c	Net income or (loss) from sales of inventory . . ▶					
		Miscellaneous Revenue	Business Code				
	11a						
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . ▶					
	12	**Total revenue.** See Instructions . . . . . ▶		10,826,279	10,462,539	0	49,258

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	2,045	2,045		
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	247,207		247,207	
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	3,256,714	3,005,599	251,115	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	111,690	103,078	8,612	
9 Other employee benefits	259,838	239,803	20,035	
10 Payroll taxes	265,062	228,041	37,021	
11 Fees for services (non-employees)				
a Management				
b Legal				
c Accounting	64,491		64,491	
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)	2,020,492	1,981,705	38,787	
12 Advertising and promotion	19,330		19,330	
13 Office expenses	716,898	408,432	308,466	
14 Information technology				
15 Royalties				
16 Occupancy	289,691	289,691		
17 Travel	26,473	18,579	7,894	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	24		24	
20 Interest	249,095	249,095		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	736,204	736,204		
23 Insurance	52,743	52,743		
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	1,383,336	1,383,336		
b Provision for Bad Debts	157,390	157,390		
c Auxiliary Expense	12,936	12,936		
d				
e All other expenses	18,855		18,855	
25 **Total functional expenses.** Add lines 1 through 24e	9,890,514	8,868,677	1,021,837	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing			1	
	2	Savings and temporary cash investments		3,554,985	2	4,127,287
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		1,177,768	4	1,530,749
	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		47,363	7	30,080
	8	Inventories for sale or use		360,231	8	326,238
	9	Prepaid expenses and deferred charges		174,519	9	145,080
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 11,204,589			
	b	Less accumulated depreciation	10b 6,565,585	5,281,053	10c	4,639,004
	11	Investments—publicly traded securities		1,611,896	11	1,712,587
	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		30,489	15	73,926
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		12,238,304	16	12,584,951
Liabilities	17	Accounts payable and accrued expenses		857,151	17	809,590
	18	Grants payable			18	
	19	Deferred revenue		59,425	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		6,325,482	23	5,959,531
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		115,200	25	0
	26	**Total liabilities.** Add lines 17 through 25		7,357,258	26	6,769,121
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		3,818,857	27	4,661,692
	28	Temporarily restricted net assets		907,855	28	999,804
	29	Permanently restricted net assets		154,334	29	154,334
		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		4,881,046	33	5,815,830
	34	Total liabilities and net assets/fund balances		12,238,304	34	12,584,951

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	10,826,279
2	Total expenses (must equal Part IX, column (A), line 25)	2	9,890,514
3	Revenue less expenses Subtract line 2 from line 1	3	935,765
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	4,881,046
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	-981
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	5,815,830

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
PR Health Corporation

Employer identification number
45-0232743

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

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.
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
PR Health Corporation

Employer identification number
45-0232743

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	11,756
d Additions during the year	1d	13,917
e Distributions during the year	1e	12,936
f Ending balance	1f	12,737

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	b (c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	154,334	154,334	154,334	154,334	154,334
b Contributions					
c Net investment earnings, gains, and losses	590	710	1,127	2,284	1,960
d Grants or scholarships					
e Other expenditures for facilities and programs	590	710	1,127	2,284	1,960
f Administrative expenses					
g End of year balance	154,334	154,334	154,334	154,334	154,334

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

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

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		6,500		6,500
b Buildings		7,604,373	3,960,365	3,644,008
c Leasehold improvements				
d Equipment		3,308,402	2,404,231	904,171
e Other		285,314	200,989	84,325
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				4,639,004

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

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

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

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

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

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

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

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

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

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

1	Total revenue, gains, and other support per audited financial statements			1	10,654,972
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	-157,390		
e	Add lines **2a** through **2d**			2e	-157,390
3	Subtract line **2e** from line **1**			3	10,812,362
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	13,917		
c	Add lines **4a** and **4b**			4c	13,917
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	10,826,279

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	9,720,188
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	9,720,188
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	170,326		
c	Add lines **4a** and **4b**			4c	170,326
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	9,890,514

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 assets on behalf of the First Care Health Center Auxiliary
Part V, Line 4	Investments are to be held in perpetuity, and the income from the investments is expendable to support various health care services
Part X, Line 2	The Health Center is organized as a North Dakota nonprofit organization and has been recognized by the Internal Revenue Service as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) The Health Center is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS In addition, the Health Center is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose The Health 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 Health 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 Health 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	Provision for Bad Debts -157,390
Part XI, Line 4b - Other Adjustments	Income From Auxiliary Operations 13,917
Part XII, Line 4b - Other Adjustments	Expenses From Auxiliary Operations 12,936 Provision for Bad Debts 157,390

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

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

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

▶ **Information about Schedule G (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
PR Health Corporation

Employer identification number
45-0232743

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

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

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

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

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

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

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

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

		(a) Event #1 FCHC Golf Tournament (event type)	(b) Event #2 Harvest Fest Dance (event type)	(c) Other events (total number)	(d) Total events (add col (a) through col (c))
Revenue	1 Gross receipts	15,522	18,215		33,737
	2 Less Contributions		1,085		1,085
	3 Gross income (line 1 minus line 2)	15,522	17,130		32,652
Direct Expenses	4 Cash prizes	230	500		730
	5 Noncash prizes				
	6 Rent/facility costs	1,250			1,250
	7 Food and beverages	1,868	3,900		5,768
	8 Entertainment				
	9 Other direct expenses	174	1,565		1,739
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(9,487)
	11 Net income summary Subtract line 10 from line 3, column (d) ▶				23,165

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

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

9 Enter the state(s) in which the organization conducts gaming activities _____

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

b If "No," explain _____

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

b If "Yes," explain _____

11 Does the organization conduct gaming activities with nonmembers? . . . . . ☐ Yes ☐ No

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

13 Indicate the percentage of gaming activities conducted in

a	The organization's facility	**13a**	%
b	An outside facility	**13b**	%

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

Name ▶ .....

Address ▶ .....

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

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

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

Name ▶ .....

Address ▶ .....

16 Gaming manager information

Name ▶ .....

Gaming manager compensation ▶ $ .....

Description of services provided ▶ .....

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

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

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

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

Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493271004065

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
PR Health Corporation

Employer identification number
45-0232743

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year			
	☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care	3a	Yes	
	☐ 100% ☐ 150% ☐ 200% ☑ Other 14000 0000000000 %			
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care	3b		No
	☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other ____ %			
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		No
b	If "Yes," did the organization make it available to the public?	6b		
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			59,000		59,000	0 610 %
b Medicaid (from Worksheet 3, column a)						
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			59,000		59,000	0 610 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			5,085	747	4,338	0 040 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			18,412	4,076	14,336	0 150 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			3,834		3,834	0 040 %
j **Total.** Other Benefits			27,331	4,823	22,508	0 230 %
k **Total.** Add lines 7d and 7j			86,331	4,823	81,508	0 840 %

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			112		112	0 %
2	Economic development						
3	Community support			1,606		1,606	0 020 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building			223		223	0 %
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**			1,941		1,941	0 020 %

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	2 157,390		
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 39,348		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	5,178,734
6	Enter Medicare allowable costs of care relating to payments on line 5	6	5,203,328
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-24,594
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 First Care Health 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		No
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) www.firstcarehc.com			
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) www.firstcarehc.com			
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)*

First Care Health 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 140 000000000000% and FPG family income limit for eligibility for discounted care of __%			
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)*

Name of hospital facility or letter of facility reporting group First Care Health Center

			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
First Care Health Center	Part V, Section B, Line 5 Approximately 500 surveys were available for distribution in the service area A Community Group of 16 members was convened representing the health community, business community, schools, nonprofit agencies, and public health Telephone interviews were also conducted by the Center for Rural Health
First Care Health Center	Part V, Section B, Line 11 Based on the majority of the respondents, the strategy group identified and took action on three areas that were the most important to address The remaining need identified, meeting the needs of the elderly and their caretakers, is not feasible due to monetary and manpower restrictions It is being addressed by a community group that helps caretakers so they can take a break or get help with tasks
First Care Health Center	Part V, Section B, Line 22d The hospital only provides free care under its financial assistance policy (there is no sliding scale discount) Therefore, patients under this policy do not pay anything for care
Part V, Section B, Line 16	Financial Assistance Policy Website Availability
First Care Health Center Part V, Section B, line 16a website	www firstcarehc com
First Care Health Center Part V, Section B, line 16b website	www firstcarehc com
First Care Health Center Part V, Section B, line 16c website	www firstcarehc com

Part V Facility Information *(continued)*

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

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

Name and address	Type of Facility (describe)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Part VI Supplemental Information

Provide the following information

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

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

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

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

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

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

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

Form and Line Reference	Explanation
Part I, Line 3c	The Hospital only provides free care In addition to the FPGs, the Hospital reviews the monthly budget for charity care to determine how much is available to provide for free care If a patient is eligible under the 140% policy and the Hospital has reached their monthly budgeted amount, the patient will temporarily receive discounted care However, the patient does qualify for free care going forward, eventually reducing their bill to zero

Form and Line Reference	Explanation
Part I, Line 7	The Organization calculated the cost for providing financial assistance reported in Part I, line 7a by multiplying the ratio of cost to gross charges for the Hospital by the gross uncompensated charges associated with providing charity care to its patients Subsidized health services on line 7g are reported according to costs allocated to the relevant costs centers on the Medicare Cost Report The Organization used actual expenses to determine the cost for Community Health Improvement Services and Contributions, lines 7e and 7i

Form and Line Reference	Explanation
Part I, Line 7g	Line 7g includes $18,412 of subsidized health services from a physician clinic

Form and Line Reference	Explanation
Part I, Ln 7 Col(f)	The amount of bad debt included on Form 990, Part IX, line 25, column (A), but subtracted for purposes of calculating the percentage on this line is $157,390

Form and Line Reference	Explanation
Part II, Community Building Activities	Employees continue to work with the development of senior housing units which replaced a dilapidated trailer park The Facility assists in economic development efforts for new hiring opportunities First Care employees are paid during their absences for volunteer ambulance calls in order for the local ambulance service to remain viable The Health Center provided board education for the community members in the Lead program, which teaches them to be excellent board members This helps them do well for the facility and also for other boards that they serve on First Care Health Center works with the local development corporation to provide affordable housing The Health Center hosts meetings for the Walsh County Ministerium FCHC staff has assisted community members in obtaining health insurance or Medicaid Disaster drills are periodically done, in cooperation with local law enforcement, ambulance crews, and others, in order to respond appropriately in the event of a real disaster Free medical advice is provided by Registered Nurses via the telephone for patients unable to come to the facility

Form and Line Reference	Explanation
Part III, Line 2	Bad debt expense on line 2 is reported at charges

Form and Line Reference	Explanation
Part III, Line 3	The estimated amount of bad debt attributable to patients eligible for charity care of $39,348 is determined by taking the percentage of accounts reaching collection status that were given charity care applications and were not returned This includes requested applications and those accounts FCHC determined might qualify if returned

Form and Line Reference	Explanation
Part III, Line 4	The footnote to the Organization's financial statements can be found on page 8 of the attached audited financial statements

Form and Line Reference	Explanation
Part III, Line 8	One hundred percent of any shortfall should be treated as community benefit A facility must be able to recover its costs in order to continue to provide quality care to Medicare patients and the community as a whole Services are provided to patients under the Medicare program knowing that not all costs associated with providing these services will be recovered Providing these services is essential to these patients and the community and increases their access to healthcare services Therefore, the entire Medicare shortfall is considered a community benefit Medicare allowable costs of care are based on the Medicare cost report The Medicare cost report is completed based on the rules and regulations set forth by Centers for Medicare and Medicaid Services

Form and Line Reference	Explanation
Part III, Line 9b	First Care Health Center's payment policy requires payment in full within 30 days of billing If a patient is not in a position to pay in full, there is a schedule of payments based on amount owed Patients who do not have the financial means to pay their bill may fill out a charity care application which is based on the federal poverty guidelines There are no collection efforts made on patient accounts that qualify for the charity care program On a monthly basis these accounts are reviewed to determine if they should be written off For those who don't qualify or choose not to apply, payment is expected according to the payment policy For those not making any payments within 60 days of billing, a series of collection letters begin to be mailed out to them Anyone not responding or not making a payment after 180 days is turned over to a collection agency

Form and Line Reference	Explanation
Part VI, Line 2	First Care Health Center utilizes patient satisfaction surveys and assessment surveys to get feedback on the services offered and to find out what services are desired by the people we serve Most recently, the surveys focused on wellness and outreach to the surrounding communities A formal community needs assessment began in 2012 and was completed in 2013, along with the implementation strategy

Form and Line Reference	Explanation
Part VI, Line 3	First Care Health Center posts its charity care policy, or a summary thereof, and financial assistance contact information (1) in admissions areas, emergency rooms, and other areas of the Organization's facilities in which eligible patients are likely to be present,(2) provides a copy of the policy, or a verbal summary thereof, and financial assistance contact information to patients as part of the intake process, (3) provides a copy of the policy, or a verbal summary thereof, and financial assistance contact information to patients with discharge materials, (4) may include the policy, or a summary thereof, along with financial assistance contact information, in patient bills, and/or (5) discusses with the patient the availability of various government benefits, such as Medicaid or state programs, and assists the patient with qualification for such programs, where applicable In addition, the charity care policy, application and plain language summary are posted on the facility web site

Form and Line Reference	Explanation
Part VI, Line 4	First Care Health Center (FCHC) serves a rural geographical area in NE North Dakota which includes portions of six counties The total population served is estimated at 20,000 The median household income of the service area is $48,592 with 10 6% of the population below the federal poverty level Just over nine percent of the communities' patients are uninsured or on Medicaid The main county, in which the Health Center is located, is a federally-designated primary care HPSA due to low income FCHC is located in Park River, which is a federally-designated medically underserved area The unemployment rate of the service area is 4 9% Nearly 20 7% of the area population is over 65 years of age and just over 28 5% of the area population are children zero to seventeen years of age

Form and Line Reference	Explanation
Part VI, Line 5	The Organization's governing body is comprised of persons who reside in the Organization's primary service area who are neither employees nor contractors of the Organization, nor family members thereof The Organization applies any surplus funds to improve the Facility and equipment to improve patient care The Organization also extends medical staff privileges to other qualified physicians in the community Educational pamphlets and brochures are available at no cost to patients FCHC staff assist patients with understanding their Medicare and Medicaid benefits, applying for said benefits, and help in completing Advanced Medical Directives and Living Wills The Facility participates in the annual county fair by renting booth space to educate the public on various health issues First Care Health Center sponsors drives to collect school supplies for the area schools and food donations to the local food pantry FCHC participates in mentoring medical, pharmacy, nursing, and health careers students First Care Health Center also provides nail care at a nominal fee by licensed staff This service serves as a first step in checking for issues in diabetic patients The fee does not cover the cost of space, salaries, or supplies but is done more as a service to patients First Care Health Center provides many other services that benefit the community for which there is little or no reimbursement The following list provides examples of some of the services and programs offered *Tours of the hospital to children *Provide rooms for overnight stay for families of patients *Training to area vocational high school students *Provide preceptorships for nurses training *Provide educational pamphlets and brochures to the community *Provide free medical advice from registered nurses via telephone *Provide meals to parents of pediatric patients *Personnel run errands for patients *Provide supplies and movies for activities and crafts for swing-bed patients *Pay for local travel for swing-bed patients

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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
PR Health Corporation

Employer identification number
45-0232743

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**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column(B) reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 Tamara Clemetson, Physicians Assistant	(i)	145,514	0	0	5,458	6,241	157,213	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Return Reference	Explanation

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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
PR Health Corporation	45-0232743

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part III, line 2	
Form 990, Part VI, Section A, line 8b	There are no committees that exist that can act on behalf of the governing board All decisions are made by the governing board
Form 990, Part VI, Section B, line 11	The CFO and Administrator review the Form 990 together The Form 990 is also provided to t he Board of Directors electronically for their review and approval prior to filing the For m 990 with the IRS
Form 990, Part VI, Section B, line 12c	The conflict of interst policy covers the Board of Directors and all employees Annual dis closures by the board members and officers of the organization are reviewed by the CFO aft er signature The Board would review any potential conflicts of the CFO If a board member has a conflict on a particular issue he/she will identify the conflict and he/she must ab stain from voting on that issue
Form 990, Part VI, Section B, line 15a	The independent Board determines and approves the Administrator's compensation The board compares the salary with similar organizations, all of which is recorded in the board meet ing minutes The CFO's salary is determined by the Administrator, which is typically a sma ll percentage increase from the prior year The process for determining compensation for b oth positions is performed on an annual basis
Form 990, Part VI, Section C, line 19	The governing documents, conflict of interest policy, and financial statements are available upon request
Form 990, Part IX, line 11g	Medical Professional fees Program service expenses 1,954,168 Management and general expe nses 0 Fundraising expenses 0 Total expenses 1,954,168 Maintenance and Housekeeping fee s Program service expenses 27,537 Management and general expenses 0 Fundraising expense s 0 Total expenses 27,537 Administrative Professional fees Program service expenses 0 Management and general expenses 1,187 Fundraising expenses 0 Total expenses 1,187 Colle ction fees Program service expenses 0 Management and general expenses 37,600 Fundraisin g expenses 0 Total expenses 37,600
Form 990, Part XI, line 9	Net Income From Auxiliary Operations -981

Financial Statements
December 31, 2014 and 2013

P.R. Health Corporation
d/b/a First Care Health Center
Park River, North Dakota

P.R. Health Corporation
d/b/a First Care Health Center
Table of Contents
December 31, 2014 and 2013

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Board of Directors
P R Health Corporation
d/b/a First Care Health Center
Park River, North Dakota

Report on the Financial Statements
We have audited the accompanying financial statements of P R Health Corporation d/b/a First Care Health Center (Health Center), which comprise the balance sheets as of December 31, 2014 and 2013, and the related statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements

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

Auditor's Responsibility
Our responsibility is to express an opinion on these 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 entity`s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity`s internal control Accordingly, we express no such opinion An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

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

4310 17th Ave S | P O Box 2545 | Fargo, ND 58108-2545 | T 701 239 8500 | F 701 239 8600 | EOE

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of P R Health Corporation d/b/a First Care Health Center as of December 31, 2014 and 2013, and the results of its operations, changes in net assets, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Eide Bailly LLP

Fargo, North Dakota
March 25, 2015

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	2014	2013
Assets		
Current Assets		
Cash and cash equivalents	$ 4,127,287	$ 3,554,985
Receivables		
Patient, net of estimated uncollectibles and contractuals of $1,241,000 in 2014 and $1,271,000 in 2013	1,400,645	1,071,379
Estimated third-party payor settlements	48,000	-
Other	130,104	106,389
Supplies	326,238	360,231
Prepaid expenses	145,080	174,519
Total current assets	6,177,354	5,267,503
Assets Limited as to Use		
By board for capital improvements	216,016	212,127
Sales tax reserve fund	621,993	526,961
Total assets limited as to use	838,009	739,088
Property and Equipment, Net	4,639,004	5,281,053
Other Assets		
Investments	874,578	872,808
Deferred interest	6,000	9,000
Note receivable	30,080	47,363
Deferred financing costs, net of accumulated amortization of $12,553 in 2014 and $10,990 in 2013	19,926	21,489
Total other assets	930,584	950,660
Total assets	$ 12,584,951	$ 12,238,304

See Notes to Financial Statements

P.R. Health Corporation
d/b/a First Care Health Center
Balance Sheets
December 31, 2014 and 2013

	2014	2013
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	$ 377,398	$ 344,880
Accounts payable		
Trade	351,838	284,824
Estimated third-party payor settlements	-	115,200
Accrued expenses		
Salaries	38,644	150,361
Vacation	252,840	249,849
Pension	138,687	143,888
Payroll taxes and other	27,581	28,229
Total current liabilities	1,186,988	1,317,231
Deferred Revenue	-	59,425
Long-Term Debt, Less Current Maturities	5,582,133	5,980,602
Total liabilities	6,769,121	7,357,258
Net Assets		
Unrestricted	4,661,692	3,818,857
Temporarily restricted	999,804	907,855
Permanently restricted	154,334	154,334
Total net assets	5,815,830	4,881,046
Total liabilities and net assets	$ 12,584,951	$ 12,238,304

P.R. Health Corporation
d/b/a First Care Health Center
Statements of Operations
Years Ended December 31, 2014 and 2013

	2014	2013
Unrestricted Revenues, Gains and Other Support		
Net patient service revenue	$ 10,346,084	$ 8,622,204
Provision for bad debts	(157,390)	(45,229)
Net patient service revenue less provision for bad debts	10,188,694	8,576,975
Other revenue	207,559	134,563
Total revenues, gains and other support	10,396,253	8,711,538
Expenses		
Professional care of patients	6,263,201	5,491,375
General and administrative	1,734,477	1,636,474
Property and household	601,220	562,363
Dietary	133,946	108,223
Depreciation and amortization	736,204	767,298
Interest	249,095	283,559
Contributions	2,045	1,032
Total expenses	9,720,188	8,850,324
Operating Income (Loss)	676,065	(138,786)
Other Income		
Investment income	22,333	22,771
Unrestricted gifts and bequests	91,248	74,805
Other	8,189	8,444
Total other income	121,770	106,020
Revenues in Excess of (Less Than) Expenses	797,835	(32,766)
Net Assets Released from Restrictions for Principal Payments	45,000	45,000
Increase in Unrestricted Net Assets	$ 842,835	$ 12,234

P.R. Health Corporation
d/b/a First Care Health Center
Statements of Changes in Net Assets
Years Ended December 31, 2014 and 2013

	2014	2013
Unrestricted Net Assets		
Revenues in excess of (less than) expenses	$ 797,835	$ (32,766)
Net assets released from restrictions for principal payments	45,000	45,000
Increase in unrestricted net assets	842,835	12,234
Temporarily Restricted Net Assets		
Sales tax proceeds and contributions restricted by donors	186,564	152,640
Net assets released from restrictions	(94,615)	(91,611)
Increase in temporarily restricted net assets	91,949	61,029
Increase in Net Assets	934,784	73,263
Net Assets, Beginning of Year	4,881,046	4,807,783
Net Assets, End of Year	$ 5,815,830	$ 4,881,046

See Notes to Financial Statements

	2014	2013
Operating Activities		
Change in net assets	$ 934,784	$ 73,263
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	736,204	767,298
Sales tax proceeds and contributions restricted by donors	(186,564)	(152,640)
Provision for bad debts	157,390	45,229
Changes in assets and liabilities		
Receivables	(558,371)	311,181
Supplies	33,993	(57,833)
Prepaid expenses	29,439	(6,770)
Accounts payable	(48,186)	76,998
Accrued expenses	(114,575)	54,339
Deferred revenue	(59,425)	(29,664)
Net Cash from Operating Activities	924,689	1,081,401
Investing Activities		
Purchase of property and equipment	(92,592)	(122,318)
Increase in assets limited as to use	(98,921)	(66,995)
Purchases of investments	(1,770)	(1,020)
Decrease (increase) in note receivable	17,283	(47,363)
Net Cash used for Investing Activities	(176,000)	(237,696)
Financing Activities		
Repayment of long-term debt	(365,951)	(347,151)
Contributions restricted by donors	186,564	152,640
Decrease in deferred interest	3,000	3,000
Net Cash used for Financing Activities	(176,387)	(191,511)
Net Increase in Cash and Cash Equivalents	572,302	652,194
Cash and Cash Equivalents, Beginning of Year	3,554,985	2,902,791
Cash and Cash Equivalents, End of Year	$ 4,127,287	$ 3,554,985
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	$ 245,088	$ 259,783

Note 1 - Organization and Significant Accounting Policies

Organization

P R Health Corporation d/b/a First Care Health Center (Health Center) is a 14-bed acute care hospital and clinic in Park River, North Dakota

Tax-Exempt Status

The Health Center is organized as a North Dakota nonprofit organization and has been recognized by the Internal Revenue Service as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) The Health Center is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS In addition, the Health Center is subject to income tax on net income that is derived from business activities that is unrelated to its exempt purpose The Health 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 Health 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 Health 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 Health 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 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 Health 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 Health 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 Health 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 their bill for which they are financially responsible The difference between the standard rates (or the discounted rates, if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts

The Health 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 Health 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 Health Center has not significantly changed charity care or uninsured discount policies during fiscal years 2013 or 2014

Note Receivable

The Health Center issued a note to a physician as part of the recruitment process The note is repayable over a three year period The note was issued with forgiveness provisions over the life of the note to encourage retention It is anticipated that the balance of the note will be forgiven over time

The note receivable from the physician totaled $30,080 and $47,363 as of December 31, 2014 and 2013

Supplies

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

Investments and Investment Income

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

Assets Limited as To Use

Assets limited as to use includes assets held by the City of Park River, which consist of sales tax collections allocated to the Health Center to be used for principal payment of the Sales Tax Revenue Bonds, Series 2005, and 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 Amounts available for obligations classified as current liabilities and reported as current assets

Property and Equipment

Property and equipment acquisitions in excess of $5,000 are capitalized and recorded at cost Depreciation is provided over the estimated useful life of each depreciable asset and is computed using the straight-line method Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment Amortization is included in depreciation in the financial statements Estimated useful lives of property and equipment are as follows

Land improvements	5-20 years
Buildings	5-50 years
Fixed equipment	10-25 years
Major movable equipment	4-20 years

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

Deferred Interest

Deferred interest represents interest prepaid on the RUS loan payable (Note 6) Deferred interest is being amortized to interest expense over the period the related obligation is outstanding using the straight-line method

Deferred Financing Costs

Deferred financing costs are amortized over the period the related obligation is outstanding using the straight line method, which is a reasonable estimate of the effective interest method Amortization of deferred financing costs is included in depreciation and amortization in the accompanying financial statements

Original Issue Discounts

Original issue discounts are amortized to interest expense over the period the related obligation is outstanding using the straight-line method

Deferred Revenue

Deferred revenue represents amounts related to electronic health record incentive payments that are being recognized as revenue over a four year period This amount was fully amortized at December 31, 2014

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Health 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 Health Center in perpetuity

Revenues in Excess of (Less Than) Expenses

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

Net Patient Service Revenue

The Health Center has agreements with third-party payors that provide for payments to the Health 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 Health 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 Health Center recognizes revenue on the basis of its standard rates for services provided On the basis of historical experience, a significant portion of the Health Center`s uninsured patients will be unable or unwilling to pay for the services provided Thus, the Health Center records a significant provision for bad debts related 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	$ 10,108,781	$ 8,376,444
Self-pay	237,303	245,760
Total all payors	$ 10,346,084	$ 8,622,204

Charity Care

The Health Center provides health care services to patients who meet certain criteria under its Charity Care Policy without charge or at amounts less that established rates Since the Health Center does not pursue collection of these amounts, they are not reported as patient service revenue The estimated cost of providing these services was $59,000 and $63,000 for the years ended December 31, 2014 and 2013, calculated by multiplying the ratio of cost to gross charges for the Health Center by the gross uncompensated charges associated with providing charity care to its patients

Donor-restricted Gifts

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

Electronic Health Record (EHR) Incentives

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

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

The Health Center recognizes EHR incentive payments as revenue when there is reasonable assurance that the Medical Center will comply with the conditions attached to the incentive payments As the entire EHR incentive payment is received in a lump sum for critical access hospitals and the Health Center must annually attest to increasingly stringent meaningful use criteria, the EHR incentive payment is first recognized as a deferred revenue with a ratable recognition of revenue over a specified time period EHR incentive payments are included in other operating revenue in the accompanying financial statements The amount of EHR incentive payments recognized are based on management's best estimate and those amounts are subject to change with such changes impacting the period in which they occur Management has estimated the expected revenue to be recognized during the next fiscal year and recorded this portion as a current liability

Note 2 - Net Patient Service Revenue

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

Medicare. The Health Center is licensed as a Critical Access Hospital (CAH) The Health Center is reimbursed for most inpatient and outpatient services at cost plus 1%, less sequestration reduction, with final settlement determined after submission of annual cost reports by the Health Center and are subject to audits thereof by the Medicare intermediary The Health Center's Medicare cost reports have been audited by the Medicare fiscal intermediary through the year ended December 31, 2013 Clinical services are paid on a cost basis or fixed fee schedule

Medicaid. Acute care services rendered to Medicaid program beneficiaries are paid on a cost related basis Inpatient services are reimbursed using Medicare interim per diem rates, decreased by 1%, and outpatient services are paid at the Medicare interim payment rates Final cost settlements are determined based on the audited Medicare cost reports The Health Center's Medicaid cost reports have been audited by the Medicaid fiscal intermediary through the year ended December 31, 2012 Clinical services are paid on a fixed fee schedule

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

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

A summary of percentage of revenues by payor for the years ended December 31, 2014 and 2013 is as follows

	2014	2013
Medicare	53%	58%
Blue Cross Blue Shield	28%	29%
Commercial	12%	6%
Medicaid	4%	3%
Other	3%	4%
	100%	100%

Laws and regulations governing the Medicare, Medicaid, and other programs are extremely complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term Net patient service revenue for the years ended December 31, 2014 and 2013 increased approximately $60,000 and $93,000 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	$ 12,418,691	$ 11,015,735
Contractual adjustments		
Medicare	(973,164)	(1,190,624)
Blue Cross Blue Shield	(725,751)	(704,503)
Medicaid	1,836	(185,507)
Other	(375,528)	(312,897)
Total contractual adjustments	(2,072,607)	(2,393,531)
Net patient service revenue	10,346,084	8,622,204
Provision for bad debts	(157,390)	(45,229)
Net patient service revenue less provision for bad debts	$ 10,188,694	$ 8,576,975

Note 3 - Investments and Investment Income

Assets Limited as to Use

A summary of assets limited as to use at December 31, 2014 and 2013 is shown in the following table Cash equivalents and certificates of deposit are recorded at cost plus accrued interest

	2014	2013
By board for capital improvements		
Cash and cash equivalents	$ 216,016	$ 212,127
Sales tax reserve fund - held by City of Park River - Note 6		
Cash and cash equivalents	$ 191,363	$ 149,010
Certificates of deposit	430,630	377,951
	$ 621,993	$ 526,961

Investments

All certificates of deposit with original maturities of greater than 12 months are considered to be long-term investments Certificates of deposit are recorded at cost plus accrued interest

	2014	2013
Certificates of deposit	$ 874,578	$ 872,808

Investment Income

Investment income on investments, assets limited as to use, and cash equivalents consist of the following for the years ended December 31, 2014 and 2013

	2014	2013
Other income		
Interest income	$ 22,333	$ 22,771

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	$ 6,500	$ -	$ 6,500	$ -
Land improvements	285,314	200,989	285,314	192,231
Buildings	7,604,373	3,960,365	7,577,561	3,507,495
Fixed equipment	455,808	252,180	455,808	226,739
Major movable equipment - Note 5	2,811,179	2,129,106	2,745,397	1,888,248
Vehicle	41,415	22,945	41,415	16,229
	$ 11,204,589	$ 6,565,585	$ 11,111,995	$ 5,830,942
Net property and equipment		$ 4,639,004		$ 5,281,053

Note 5 - Leases

The Health Center leases certain equipment under a noncancelable long-term lease agreements These leases have been determined to be capital leases The capitalized lease assets consists of

	2014	2013
Major movable equipment - Note 4	$ 426,272	$ 426,272
Less accumulated amortization (included as depreciation in the accompanying financial statements)	(184,718)	(99,463)
	$ 241,554	$ 326,809

Minimum future lease payments for the capital lease are as follows

Years Ending December 31,	Amount
2015	$ 95,364
2016	95,364
2017	79,470
Total minimum lease payments	270,198
Less interest	(16,961)
Present value of minimum lease payments - Note 6	$ 253,237

Note 6 - Long-Term Debt

	2014	2013
Sales Tax Revenue Bonds, Series 2005		
4% term bonds	$ -	$ 50,000
4.25% - 4.5% serial bonds, due in varying annual installments commencing in May 2015 to May 2016	105,000	105,000
5.0% term bonds, due in varying annual installments commencing in May 2017 to May 2027	760,000	760,000
Less original issue discount	(11,073)	(12,080)
4.25% USDA Direct Loan, due in monthly installments of $20,400, including interest, to January 2038, secured by revenues and property	3,591,788	3,681,850
1.62% (imputed interest rate) note payable to RUS, due in annual installments of $40,000 to September 2015	40,000	80,000
4.5% capital lease obligation, due in monthly installments of $7,947 including interest, to October 2017, secured by leased equipment - Note 5	253,237	335,194
Variable rate note payable to bank, due in monthly installments of $9,538, including interest, to January 2028, secured by first real estate mortgage of certain property (1)	1,220,579	1,325,518
	5,959,531	6,325,482
Less current maturities	(377,398)	(344,880)
Long-term debt, less current maturities	$ 5,582,133	$ 5,980,602

(1) 90% of this note bears interest at a rate equal to the Bank of North Dakota guaranteed fixed rate index plus 30 basis points and 10% of this note bears interest at a rate equal to the Bank of North Dakota guaranteed fixed rate index plus 100 basis points which results in a blended rate of 2.61% effective January 9, 2013. The interest rate shall be adjusted every 5 years utilizing the same index and formula. The monthly payments will also be adjusted every 5 years to amortize the principal balance over the remaining term of the loan.

Long-term debt maturities are as follows

Years Ending December 31,	Amount
2015	$ 377,398
2016	353,175
2017	348,616
2018	278,191
2019	290,893
Thereafter	4,322,331
Less unamortized bond discount	(11,073)
Total	$ 5,959,531

Note 7 - Temporarily And Permanently Restricted Net Assets

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

	2014	2013
Debt obligations (principal and interest)	$ 596,773	$ 504,824
Equipment	356,469	356,469
Healthy Community grant	46,562	46,562
	$ 999,804	$ 907,855

In 2014 and 2013, net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes in the amount of $94,615 and $91,611 These amounts are included in net assets released from restrictions, other revenue, and investment income in the accompanying financial statements

Permanently restricted net assets at December 31, 2014 and 2013 are restricted to

	2014	2013
Investments to be held in perpetuity, the income from which is expendable to support various health care services	$ 154,334	$ 154,334

Note 8 - Endowment Funds

The Health Center's endowment (Endowment) consists of various certificates of deposit established by donors to provide annual funding for specific activities and general operations Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions

The Health Center's Board of Directors has interpreted the North Dakota Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary At December 31, 2014 and 2013, there were no such donor stipulations As a result of this interpretation, the Health Center classifies as permanently restricted net assets (a) the original value of gifts donated to the Endowment, (b) the original value of subsequent gifts donated to the Endowment (including contributions receivable net of discount and allowance for doubtful accounts, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added The remaining portion of the donor-restricted endowment is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Health Center in a manner consistent with the standard of prudence prescribed by UPMIFA The Health Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds

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

At December 31, 2014 and 2013, the Health Center had the following endowment net asset composition by type of fund

	Temporarily Restricted	Permanently Restricted	Total
December 31, 2014			
Endowments	$ -	$ 154,334	$ 154,334

	Temporarily Restricted	Permanently Restricted	Total
December 31, 2013			
Endowments	$ -	$ 154,334	$ 154,334

At December 31, 2014 and 2013, there were no donor-restricted endowment funds with fair values less than the amount of the original gifts (the permanently restricted portion of the funds)

Investment and Spending Policies

The Health Center has adopted investment and spending policies for the Endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the Endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the Endowment investments To satisfy the Health Center's long-term rate-of-return objective, the investment portfolio is invested in certificates of deposit

The Health Center's policy is to maintain sufficient financial stability for the operations of the Health Center Interest and dividends net of investment expense are currently added to temporarily restricted net assets and appropriated by the board in the same year

The following were the changes in the endowment net assets for the years ended December 31, 2014 and 2013

	Temporary Restricted	Permanently Restricted
December 31, 2012	$ -	$ 154,334
Interest income	710	-
Appropriated	(710)	-
December 31, 2013	-	154,334
Interest income	590	-
Appropriated	(590)	-
December 31, 2014	$ -	$ 154,334

Note 9 - Pension Plan

The Health Center has a defined contribution pension plan under which employees become participants upon reaching age 21 and completion of one year of service Employer contributions are discretionary Contributions are deposited with the plan trustee who invests the plan assets Total pension expense for the years ended December 31, 2014 and 2013 was $120,281 and $130,458

Note 10 - Concentrations of Credit Risk

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

	2014	2013
Medicare	21%	17%
Blue Cross Blue Shield	16%	12%
Medicaid	4%	3%
Other commercial	5%	6%
Self pay and other	54%	62%
	100%	100%

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

Note 11 - Functional Expenses

The Health Center provides general health care services to residents within its geographic 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	$ 8,375,341	$ 7,915,123
General and administrative	1,344,847	935,201
	$ 9,720,188	$ 8,850,324

Note 12 - Fair Value Of Financial Instruments

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

Cash Equivalents and Investments:

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

Accounts and Notes Receivable and Accounts Payable:

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

Long-term Debt:

The fair value of long-term debt is based on current traded value Management has estimated the fair value of all long-term debt obligations to be approximately $5,975,000 and $6,347,000 at December 31, 2014 and 2013

Note 13 - Contingencies

Malpractice Insurance

The Health Center has insurance coverage to provide protection for professional liability losses on a claims-made basis subject to a limit of $1 million per claim and an annual aggregate of $5 million Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured

Litigations, Claims, and Disputes

The Health 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 any litigations, claims, and disputes in process will not be material to the financial position of the Health 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 interpretation, as well as regulatory actions unknown and unasserted at this time Federal government activity has increased with respect to investigations and allegations concerning possible violations by health care providers of regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenues from patient services

Note 14 - Subsequent Events

The Health Center has evaluated subsequent events through March 25, 2015, the date which the financial statements were available to be issued

Supplementary Information
December 31, 2014 and 2013

P.R. Health Corporation
d/b/a First Care Health Center
Park River, North Dakota

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Supplementary Information

The Board of Directors
P R Health Corporation
d/b/a First Care Health Center
Park River, North Dakota

We have audited the financial statements of P R Health Corporation d/b/a First Care Health Center as of and for the years ended December 31, 2014 and 2013, and have issued our report thereon dated March 25, 2015, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2 Our audits were performed for the purpose of forming an opinion on the financial statements as a whole The supplementary information on pages 23 through 29 is presented for the purposes of additional analysis and is not a required part of the financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 and 2013 financial statements The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the balance sheets of P R Health Corporation d/b/a First Care Health Center as of December 31, 2012, 2011, and 2010, and the related statements of operations, changes in net assets, and cash flows for each of the three years in the period ended December 31, 2012 (none of which is presented herein), and we expressed unmodified opinions on those financial statements Those audits were conducted for purposes of forming an opinion on the financial statements as a whole The operational highlights on page 30 are presented for purposes of additional analysis and are not a required part of the financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America In our opinion, the operational highlights are fairly stated in all material respects in relation to the basic financial statements from which it has been derived

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The statistical and financial highlights on page 30, which is the responsibility of management, is presented for the purposes of additional analysis and is not a required part of the financial statements This information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on that information

Fargo, North Dakota
March 25, 2015

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	2014		
	Inpatient	Outpatient	Total
Patient Service Revenue			
Routine care			
Adults and pediatrics	$ 777,609	$ -	$ 777,609
Swing bed	472,502	-	472,502
Observation	723	279,510	280,233
	1,250,834	279,510	1,530,344
Ancillary services			
Clinic	-	1,971,076	1,971,076
Laboratory	100,664	1,257,843	1,358,507
Pharmacy	492,433	1,541,754	2,034,187
Intravenous solutions	109,773	86,895	196,668
Central supply	182,445	164,758	347,203
CT scans	62,251	709,330	771,581
Respiratory therapy	268,831	32,585	301,416
Radiology	16,938	285,525	302,463
Emergency room	12,729	590,879	603,608
Ultrasound	19,550	188,275	207,825
Physical therapy	168,413	305,900	474,313
Operating room	29,114	718,374	747,488
Anesthesia	17,373	168,109	185,482
Recovery room	1,218	3,480	4,698
MRI	13,916	486,062	499,978
Mammography	-	169,378	169,378
Nuclear medicine	-	19,000	19,000
Cardiac rehab	-	35,312	35,312
Electrocardiography	4,153	56,657	60,810
Blood bank	23,218	52,352	75,570
Electroencephalography	-	67,864	67,864
Foot care	-	4,968	4,968
Occupational therapy	92,049	-	92,049
Speech therapy	524	-	524
Treatment room	1,418	432,961	434,379
	1,617,010	9,349,337	10,966,347
	$ 2,867,844	$ 9,628,847	12,496,691
Charity care (charges foregone)			(78,000)
Total patient service revenue			$ 12,418,691

	2013		
	Inpatient	Outpatient	Total
Patient Service Revenue			
Routine care			
Adults and pediatrics	$ 672,036	$ -	$ 672,036
Swing bed	376,053	-	376,053
Observation	-	372,003	372,003
Special care unit	6,920	-	6,920
	1,055,009	372,003	1,427,012
Ancillary services			
Clinic	-	1,763,157	1,763,157
Laboratory	81,652	1,094,151	1,175,803
Pharmacy	398,616	1,291,860	1,690,476
Intravenous solutions	93,551	70,703	164,254
Central supply	167,900	151,397	319,297
CT scans	48,915	617,793	666,708
Respiratory therapy	285,289	28,167	313,456
Radiology	15,416	259,547	274,963
Emergency room	11,129	510,079	521,208
Ultrasound	17,209	160,555	177,764
Physical therapy	111,241	257,608	368,849
Operating room	24,227	595,484	619,711
Anesthesia	12,437	147,064	159,501
MRI	8,703	554,361	563,064
Mammography	-	166,109	166,109
Nuclear medicine	120	35,657	35,777
Cardiac rehab	-	37,026	37,026
Electrocardiography	2,208	46,021	48,229
Blood bank	23,065	77,448	100,513
Electroencephalography	-	72,267	72,267
Foot care	-	5,318	5,318
Occupational therapy	61,221	-	61,221
Speech therapy	3,291	-	3,291
Treatment room	2,322	356,534	358,856
	1,368,512	8,298,306	9,666,818
	$ 2,423,521	$ 8,670,309	11,093,830
Charity care (charges foregone)			(78,095)
Total patient service revenue			$ 11,015,735

P.R. Health Corporation
d/b/a First Care Health Center
Schedules of Other Revenue
Years Ended December 31, 2014 and 2013

	2014	2013
Grants	$ 60,425	$ 80,418
Clinic rent	3,760	3,060
Dietary	506	346
Medical records	1,857	1,484
Other, primarily sales tax revenue	140,986	49,255
Cafeteria	25	-
Total other revenue	$ 207,559	$ 134,563

	2014	2013
Professional Care of Patients		
Nursing		
Salaries	$ 561,323	$ 470,355
Rentals	67,737	63,101
Supplies	81,461	47,153
Repairs	12,486	9,887
Professional fees	9,864	740
Other	14,413	17,528
	747,284	608,764
Clinic		
Salaries	420,709	408,514
Professional fees	1,156,994	928,750
Supplies	30,675	61,108
Other	4,637	5,551
	1,613,015	1,403,923
Laboratory		
Salaries	227,648	224,991
Supplies	127,505	100,624
Professional fees	117,183	110,695
Repairs and maintenance	18,692	17,140
Travel and education	489	960
	491,517	454,410
Radiology		
Salaries	236,763	228,181
Repairs and maintenance	129,090	65,645
Supplies	15,095	8,418
Professional fees	16,551	12,824
Other	425	96
	397,924	315,164
Pharmacy		
Drugs	899,446	778,841
Professional fees	13,975	14,575
	913,421	793,416
Nursing administration		
Salaries	41,375	43,149
Supplies	1,394	718
	42,769	43,867

	2014	2013
Professional Care of Patients, Continued		
Swing bed		
Salaries	$ 422,603	$ 337,502
Other	801	237
	423,404	337,739
Central supply		
Salaries	97,190	94,048
Supplies	42,051	(15,998)
Repairs and maintenance	6,353	6,563
	145,594	84,613
Physical and occupational therapy		
Salaries	94,437	105,001
Professional fees	29,740	20,318
Supplies	38,409	3,069
	162,586	128,388
Respiratory therapy		
Salaries	38,944	34,852
Supplies and other	6,336	5,969
	45,280	40,821
Electrocardiography		
Salaries	4,660	5,678
Electroencephalography		
Professional fees	26,400	28,800
Anesthesia		
Purchased services	103,500	90,750
Supplies and other	5,456	(5,756)
	108,956	84,994
Operating room		
Salaries	115,153	109,111
Equipment rental	125,430	104,602
Supplies and other	122,879	128,781
	363,462	342,494

	2014	2013
Professional Care of Patients, Continued		
Emergency room		
Salaries	$ 148,692	$ 122,876
Professional fees	116,034	165,807
Supplies	9,789	9,290
	274,515	297,973
Diabetes - salaries	1,672	1,211
Ultrasound - professional fees	49,868	47,167
Nuclear medicine - professional fees	3,993	11,498
MRI - professional fees	103,445	118,815
Echocardiography - professional fees	26,063	21,114
Mammography - professional fees	56,725	58,680
Blood bank - supplies	27,077	32,795
Cardiac rehab		
Salaries	14,753	13,114
Supplies and other	414	1,393
	15,167	14,507
Health information		
Salaries	207,423	203,305
Dues and subscriptions	370	800
Supplies and other	6,709	7,387
	214,502	211,492
Foot care - salaries	3,902	3,052
Total professional care of patients	6,263,201	5,491,375

	2014	2013
General and Administrative		
Administrative		
Salaries	$ 487,947	$ 467,482
Legal fees	64,491	46,467
Telephone	75,530	69,177
Insurance	52,743	41,301
Supplies	61,577	33,540
Collection fees	37,600	28,172
Rental	31,290	31,288
Postage	5,774	6,608
Professional services	89,152	79,469
Dues and subscriptions	31,034	28,444
Advertising	19,330	21,771
Travel and workshop	7,918	6,188
Repairs and maintenance	93,635	115,777
Other	29,507	30,248
	1,087,528	1,005,932
Employee benefits		
FICA	265,062	231,988
Pension	120,281	130,458
Health insurance	261,606	268,096
	646,949	630,542
Total general and administrative	1,734,477	1,636,474
Property and Household		
Plant operations		
Salaries	163,844	149,149
Utilities	219,405	202,153
Repairs and maintenance	52,785	51,034
Professional fees	2,487	3,615
Supplies and other	18,333	19,363
	456,854	425,314
Housekeeping		
Salaries	106,626	97,664
Supplies and other	10,899	11,774
	117,525	109,438
Laundry and linen		
Purchased services	25,050	22,991
Supplies and linen	1,791	4,620
	26,841	27,611
Total property and household	601,220	562,363

P.R. Health Corporation
d/b/a First Care Health Center
Schedules of Expenses
Years Ended December 31, 2014 and 2013

	2014	2013
Dietary		
Salaries	$ 98,107	$ 80,519
Food	29,531	23,218
Supplies	4,035	3,614
Other	2,273	872
Total dietary	133,946	108,223
Depreciation and Amortization	736,204	767,298
Interest	249,095	283,559
Contributions	2,045	1,032
Total Expenses	$ 9,720,188	$ 8,850,324

	2014	2013
Operational		
Unrestricted Revenues, Gains and Other Support		
Patient service revenue		
Routine services	$ 1,530,344	$ 1,427,012
Ancillary services	10,966,347	9,666,818
Charity care (charges foregone)	(78,000)	(78,095)
Contractual adjustments	(2,072,607)	(2,393,531)
Net patient service revenue	10,346,084	8,622,204
Provision for bad debts	(157,390)	(45,229)
Net patient service revenue less provision for bad debts	10,188,694	8,576,975
Other revenue	207,559	134,563
Total revenues, gains and other support	10,396,253	8,711,538
Expenses		
Salaries and benefits	4,140,495	3,830,278
Cost of drugs, food, supplies and other	4,594,394	3,969,189
Depreciation and amortization	736,204	767,298
Interest	249,095	283,559
Total expenses	9,720,188	8,850,324
Operating Income (Loss)	$ 676,065	$ (138,786)
Statistical (Unaudited)		
Number of Beds	14	14
Available Bed Days	5,110	5,110
Patient Days		
Acute	690	638
Swing-bed	1,712	1,431
Percent of Occupancy, Including Swing-Bed	47 0%	40 5%
Acute Discharges	221	196
Acute Average Length of Stay (Days)	3 1	3 3
Financial (Unaudited)		
Current Ratio	5 2	4 0
Number of Days Revenue in Patient Receivables (Net)	50 2	45 6
Contractual Adjustments as A Percent of Total Revenue	16 7%	21 7%
Salaries and Benefits as A Percent of Total Expenses	42 6%	43 3%

2012	2011	2010
$ 1,304,146	$ 1,419,120	$ 1,308,155
9,322,867	8,765,278	8,343,648
(78,000)	(72,000)	(67,091)
(1,809,953)	(1,813,535)	(1,589,279)
8,739,060	8,298,863	7,995,433
(290,662)	(370,513)	(118,510)
8,448,398	7,928,350	7,876,923
420,898	295,202	211,951
8,869,296	8,223,552	8,088,874
3,870,957	3,686,805	3,416,450
3,992,837	3,764,513	3,512,567
812,105	957,204	1,029,976
294,962	303,869	301,544
8,970,861	8,712,391	8,260,537
$ (101,565)	$ (488,839)	$ (171,663)
14	14	14
5,124	5,110	5,110
648	781	819
1,199	1,280	1,080
36 0%	40 3%	37 2%
189	207	230
3 4	3 8	3 6
4 3	4 1	3 7
50 5	47 2	55 1
17 2%	17 9%	16 6%
43 2%	42 3%	41 4%