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Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

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

2018

Department of the Treasury
Internal Revenue Service

▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Open to Public Inspection

A For the 2018 calendar year, or tax year beginning **OCT 1, 2018** and ending **SEP 30, 2019**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization MOBRIDGE REGIONAL HOSPITAL Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite 1401 10TH AVE W City or town, state or province, country, and ZIP or foreign postal code MOBRIDGE, SD 57601 F Name and address of principal officer: JOHN AYOUB SAME AS C ABOVE	D Employer identification number 46-0255944 E Telephone number 605-845-3692 G Gross receipts \$ 24,158,710. H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: ▶ WWW.MOBRIDGEHOSPITAL.ORG		
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation: 1959 M State of legal domicile: SD

Part I Summary

	1	Briefly describe the organization's mission or most significant activities: PROVIDING HEALTHCARE TO PEOPLE THROUGHOUT THE REGION.		
	2	Check this box <input type="checkbox"/> 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	12
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	10
	5	Total number of individuals employed in calendar year 2018 (Part V, line 2a)	5	222
	6	Total number of volunteers (estimate if necessary)	6	175
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
	7b	Net unrelated business taxable income from Form 990-T, line 38	7b	0.
	Revenue	8	Contributions and grants (Part VIII, line 1h)	78,345.
9		Program service revenue (Part VIII, line 2g)	23,442,190.	23,436,123.
10		Investment income (Part VIII, column (A), lines 3, 4, and 7d)	131,365.	204,349.
11		Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	79,447.	1,272.
12		Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	23,731,347.	24,158,710.
Expenses		13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	12,957,400.	13,610,025.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	17	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.		
	18	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	9,647,298.	9,157,273.
	19	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	22,604,698.	22,767,298.
		Revenue less expenses. Subtract line 18 from line 12	1,126,649.	1,391,412.
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	27,184,101.	28,197,894.
	21	Total liabilities (Part X, line 26)	7,632,575.	7,225,036.
	22	Net assets or fund balances. Subtract line 21 from line 20	19,551,526.	20,972,858.

Part II Signature Block

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

Sign Here	Signature of officer JOHN AYOUB, CEO Type or print name and title	Date
Paid Preparer Use Only	Print/Type preparer's name LAURIE HANSON	Preparer's signature Date 08/14/20
	Firm's name ▶ EIDE BAILLY LLP Firm's address ▶ 200 E. 10TH ST., STE. 500 SIOUX FALLS, SD 57104-6375	Check <input type="checkbox"/> if self-employed PTIN P00851848 Firm's EIN ▶ 45-0250958 Phone no. 605-339-1999

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission:

THE MISSION OF MOBRIDGE REGIONAL HOSPITAL IS TO PROVIDE HIGH QUALITY HEALTHCARE SERVICES IN A COMPASSIONATE AND PROFESSIONAL MANNER FOR PEOPLE THROUGHOUT THE REGION.

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 \$ 20,125,186. including grants of \$) (Revenue \$ 23,437,395.)

MOBRIDGE REGIONAL HOSPITAL (MRH), A 25-BED CRITICAL ACCESS HOSPITAL, 16 BED ASSISTED LIVING CENTER, 8 BED SENIOR HOUSING CENTER, AND MEDICAL CLINICS, PROVIDES HEALTHCARE SERVICES TO PERSONS THROUGHOUT THE REGION. DURING THE FISCAL YEAR ENDED SEPTEMBER 30, 2019, THE HOSPITAL PROVIDED CARE TO THE NORTH CENTRAL REGION OF SOUTH DAKOTA, AND THE SOUTH CENTRAL REGION OF NORTH DAKOTA. THE HOSPITAL HAD:

- 1,246 PATIENT DAYS
1,103 ACUTE CARE DAYS
1,177 SWING BED CARE DAYS
4,012 EMERGENCY ROOM VISITS
19,947 RURAL HEALTH CLINIC VISITS
8,001 ASSISTED LIVING DAYS (PRAIRIE SUNSET VILLAGE)

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 20,125,186.

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)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
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? <i>If "Yes," complete Schedule C, Part II</i>		X
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? <i>If "Yes," complete Schedule C, Part III</i>		X
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? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
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? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
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? <i>If "Yes," complete Schedule D, Part VI</i>	X	
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? <i>If "Yes," complete Schedule D, Part VII</i>	X	
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? <i>If "Yes," complete Schedule D, Part VIII</i>		X
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? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
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)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
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? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
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? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
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? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
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? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	X	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	X	
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? <i>If "Yes," complete Schedule I, Parts I and II</i>		X

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question ID, Question Text, Yes, No. Rows 22-38. Includes questions about grants, compensation, tax-exempt bonds, excess benefit transactions, and Schedule O completion.

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

Table with 3 columns: Question ID, Question Text, Yes, No. Rows 1a, 1b, 1c. Includes questions about Form 1096, Forms W-2G, and backup withholding rules.

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

Table with columns for question number, question text, and Yes/No response boxes. Includes questions 2a through 16 regarding employee counts, tax returns, business income, foreign accounts, prohibited transactions, and charitable contributions.

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
	1a 12		
b	Enter the number of voting members included in line 1a, above, who are independent		
	1b 10		
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?		X
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?	X	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?	X	
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?	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?		X
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		X

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?		X
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?	X	
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	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
12c			
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?	X	
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	X	
b	Other officers or key employees of the organization	X	
	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?		X
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 **NONE**
- 18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A if applicable), 990, and 990-T (Section 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 **RENAE TISDALL - 605-845-8164**
PO BOX 580, MOBRIDGE, SD 57601

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, and 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 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) DR. ROBERT MARCIANO FAMILY MD/DIRECTOR	40.00 0.00	X						354,170.	0.	27,222.
(2) DR. TRAVIS HENDERSON INTERNAL MEDICINE/DIRECTOR	40.00 0.00	X						333,798.	0.	35,960.
(3) DR. MATT SCHAFFER PHYSICIAN	40.00 0.00				X			335,654.	0.	33,419.
(4) DR. JOSH HENDERSON INTERNAL MEDICINE	40.00 0.00				X			286,058.	0.	33,579.
(5) DR. AHMED ALI SURGEON UNTIL MARCH	40.00 0.00				X			280,223.	0.	6,222.
(6) HOLLY LASHMET CRNA	40.00 0.00				X			261,956.	0.	11,086.
(7) DR. DONALD LUCEK SURGEON FROM MAY	40.00 0.00				X			251,388.	0.	11,463.
(8) RENAE TISDALL CFO	40.00 0.00			X				100,432.	0.	24,717.
(9) BILL BACHMEIER CHAIRMAN	1.00 0.00	X		X				0.	0.	0.
(10) LORI HEIL VICE CHAIR	1.00 0.00	X		X				0.	0.	0.
(11) HEIDI ROSHAU TREASURER	1.00 0.00	X		X				0.	0.	0.
(12) DR. TOM SWANSON SECRETARY	1.00 0.00	X		X				0.	0.	0.
(13) CHRISTOPHER BOHLANDER DIRECTOR	1.00 0.00	X						0.	0.	0.
(14) DR. LEONARD LINDE DIRECTOR	1.00 0.00	X						0.	0.	0.
(15) BARB GROSS DIRECTOR	1.00 0.00	X						0.	0.	0.
(16) JAKE KRAFT DIRECTOR	1.00 0.00	X						0.	0.	0.
(17) PATTI SCHMEICHEL DIRECTOR	1.00 0.00	X						0.	0.	0.

Part VIII Statement of Revenue

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

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	17,000.			
	e	Government grants (contributions)	1e	121,152.			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	378,814.			
	g	Noncash contributions included in lines 1a-1f: \$					
	h	Total. Add lines 1a-1f		516,966.			
	Program Service Revenue	2 a	PATIENT SERVICE REVENUE	Business Code 621400	23,094,050.	23,094,050.	
b							
c							
d							
e							
f		All other program service revenue	900099	342,073.	342,073.		
g		Total. Add lines 2a-2f		23,436,123.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		204,349.		204,349.	
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6 a	Gross rents	(i) Real	1,272.			
			(ii) Personal				
			Less: rental expenses	0.			
			Rental income or (loss)	1,272.			
	d	Net rental income or (loss)		1,272.	1,272.		
	7 a	Gross amount from sales of assets other than inventory	(i) Securities				
			(ii) Other				
			Less: cost or other basis and sales expenses				
			Gain or (loss)				
	d	Net gain or (loss)					
	8 a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a				
b			Less: direct expenses				
c			Net income or (loss) from fundraising events				
9 a	Gross income from gaming activities. See Part IV, line 19	a					
		b	Less: direct expenses				
		c	Net income or (loss) from gaming activities				
10 a	Gross sales of inventory, less returns and allowances	a					
		b	Less: cost of goods sold				
		c	Net income or (loss) from sales of inventory				
Miscellaneous Revenue		Business Code					
11 a		a					
		b					
		c					
		d	All other revenue				
		e	Total. Add lines 11a-11d				
12	Total revenue. See instructions		24,158,710.	23,437,395.	0.	204,349.	

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 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	895,101.	763,749.	131,352.	
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	9,840,489.	8,826,478.	1,014,011.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	342,903.	308,300.	34,603.	
9 Other employee benefits	1,857,972.	1,669,528.	188,444.	
10 Payroll taxes	673,560.	632,179.	41,381.	
11 Fees for services (non-employees):				
a Management	239,528.		239,528.	
b Legal	4,333.		4,333.	
c Accounting	67,482.		67,482.	
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 Sch O.)	1,179,614.	1,079,718.	99,896.	
12 Advertising and promotion	77,087.	6,421.	70,666.	
13 Office expenses	185,201.	96,078.	89,123.	
14 Information technology	60,462.		60,462.	
15 Royalties				
16 Occupancy	248,646.	244,483.	4,163.	
17 Travel	96,370.	79,026.	17,344.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings	56,035.	56,035.		
20 Interest	223,227.	223,227.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,340,927.	1,060,590.	280,337.	
23 Insurance	255,702.	255,702.		
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a MEDICAL SUPPLIES	2,994,097.	2,959,452.	34,645.	
b EQUIPMENT AND MAINTENAN	1,096,769.	872,251.	224,518.	
c BAD DEBT	920,741.	920,741.		
d DUES AND SUBSCRIPTIONS	47,234.	26,634.	20,600.	
e All other expenses	63,818.	44,594.	19,224.	
25 Total functional expenses. Add lines 1 through 24e	22,767,298.	20,125,186.	2,642,112.	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	8,340,158.	2	9,437,035.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	3,484,114.	4	3,891,799.
	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 instr). Complete Part II of Sch L		6	
	7 Notes and loans receivable, net	450,847.	7	370,218.
	8 Inventories for sale or use	429,895.	8	484,959.
	9 Prepaid expenses and deferred charges	185,858.	9	207,980.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 33,536,126.		
	b Less: accumulated depreciation	10b 23,584,736.	10,608,477.	10c 9,951,390.
	11 Investments - publicly traded securities	1,268,500.	11	1,268,500.
	12 Investments - other securities. See Part IV, line 11	1,790,111.	12	1,852,316.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	626,141.	15	733,697.
16 Total assets. Add lines 1 through 15 (must equal line 34)	27,184,101.	16	28,197,894.	
Liabilities	17 Accounts payable and accrued expenses	1,376,903.	17	1,445,815.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	2,276,779.	20	1,864,752.
	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	3,446,268.	23	3,361,772.
	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	532,625.	25	552,697.
	26 Total liabilities. Add lines 17 through 25	7,632,575.	26	7,225,036.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	18,680,614.	27	20,065,196.
	28 Temporarily restricted net assets	870,912.	28	907,662.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	19,551,526.	33	20,972,858.	
34 Total liabilities and net assets/fund balances	27,184,101.	34	28,197,894.	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	24,158,710.
2	Total expenses (must equal Part IX, column (A), line 25)	2	22,767,298.
3	Revenue less expenses. Subtract line 2 from line 1	3	1,391,412.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	19,551,526.
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	29,920.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	20,972,858.

Part XII Financial Statements and Reporting

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

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

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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2018 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2017 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2018. 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		<input type="checkbox"/>
b 33 1/3% support test - 2017. 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		<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2018. 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		<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2017. 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		<input type="checkbox"/>
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		<input type="checkbox"/>

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

(Complete only if you checked the box on line 10 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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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 2018 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2017 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2018 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2017 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2018. 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 - 2017. 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 in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d 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? <i>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.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
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)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>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.</i>		
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)? <i>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.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>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).</i>		
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?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
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))? <i>If "Yes," provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

	Yes	No
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?		
b A family member of a person described in (a) above?		
c A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI.</i>		

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? <i>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.</i>		
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? <i>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.</i>		

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)? <i>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).</i>		

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, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
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? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
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? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		

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 <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
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? <i>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.</i>		
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? <i>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.</i>		
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? <i>Provide details in Part VI.</i>		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>		

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 (explain in Part VI.) **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):		
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	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

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

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 2018 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-2018	(iii) Distributable Amount for 2018
1 Distributable amount for 2018 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2018 (reasonable cause required- explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2018			
a From 2013			
b From 2014			
c From 2015			
d From 2016			
e From 2017			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2018 distributable amount			
i Carryover from 2013 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2018 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2018 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2018, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI . See instructions.			
6 Remaining underdistributions for 2018. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI . See instructions.			
7 Excess distributions carryover to 2019. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2014			
b Excess from 2015			
c Excess from 2016			
d Excess from 2017			
e Excess from 2018			

Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2018

Name of the organization

MOBRIDGE REGIONAL HOSPITAL

Employer identification number

46-0255944

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000; or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering "N/A" in column (b) instead of the contributor name and address), II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization MOBRIDGE REGIONAL HOSPITAL	Employer identification number 46-0255944
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	<hr/> <hr/> <hr/>	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	<hr/> <hr/> <hr/>	\$ 17,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	<hr/> <hr/> <hr/>	\$ 360,284.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization

Employer identification number

MOBRIDGE REGIONAL HOSPITAL

46-0255944

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____

Name of organization MOBRIDGE REGIONAL HOSPITAL	Employer identification number 46-0255944
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Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once.) ▶ \$ _____
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2018 Open to Public Inspection

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

Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury Internal Revenue Service

Name of the organization MOBRIDGE REGIONAL HOSPITAL Employer identification number 46-0255944

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

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate value of contributions, grants, and end of year, and two Yes/No questions about donor property and grant fund usage.

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

Form with multiple questions (1-9) regarding conservation easements, including purpose, monitoring, and reporting requirements. Includes a table for 'Held at the End of the Tax Year' with rows 2a, 2b, 2c, and 2d.

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

Form with questions 1a, 1b, and 2 regarding the reporting of art and historical treasures. Includes sub-questions (i) and (ii) for revenue and assets.

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" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

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

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

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

2a Did the organization include an amount on Form 990, Part X, line 21, 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 on Part XIII

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

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

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

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

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

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

- (i) unrelated organizations
- (ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

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

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

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on 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		95,575.		95,575.
b Buildings		15,900,908.	9,595,523.	6,305,385.
c Leasehold improvements				
d Equipment		16,403,909.	13,426,326.	2,977,583.
e Other		1,135,734.	562,887.	572,847.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				9,951,390.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on 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		
(3) Other		
(A) INTEREST IN MOBRIDGE		
(B) REGIONAL HEALTHCARE		
(C) FOUNDATION	907,662.	END-OF-YEAR MARKET VALUE
(D) ASSETS LIMITED AS TO USE	944,654.	END-OF-YEAR MARKET VALUE
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.)	1,852,316.	

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on 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
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.)		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DEFERRED COMPENSATION PLAN PAYABLE	542,697.
(3) PSV DEPOSITS	10,000.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	552,697.

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" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements	1	23,231,139.
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	-920,741.
e	Add lines 2a through 2d	2e	-920,741.
3	Subtract line 2e from line 1	3	24,151,880.
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	6,830.
c	Add lines 4a and 4b	4c	6,830.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	24,158,710.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements	1	21,846,557.
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	21,846,557.
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	920,741.
c	Add lines 4a and 4b	4c	920,741.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	22,767,298.

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.

PART X, LINE 2:

THE HOSPITAL 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 HOSPITAL 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:

BAD DEBT RECLASSIFIED AS EXPENSE -920,741.

PART XI, LINE 4B - OTHER ADJUSTMENTS:

Part XIII Supplemental Information *(continued)*

NET ASSETS RELEASED FROM RESTRICTIONS	-10,170.
CHANGE IN INTEREST IN FOUNDATION	17,000.
TOTAL TO SCHEDULE D, PART XI, LINE 4B	6,830.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

BAD DEBT RECLASSIFIED AS EXPENSE	920,741.
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**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2018

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, question 20.
- ▶ Attach to Form 990.
- ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Name of the organization **MOBRIDGE REGIONAL HOSPITAL** Employer identification number **46-0255944**

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	<input checked="" type="checkbox"/>	
b If "Yes," was it a written policy?	<input checked="" type="checkbox"/>	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care:	<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %		
b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care:	<input checked="" type="checkbox"/>	
<input type="checkbox"/> 200% <input type="checkbox"/> 250% <input checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %		
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the 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"?	<input checked="" type="checkbox"/>	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	<input checked="" type="checkbox"/>	
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		<input checked="" type="checkbox"/>
6a Did the organization prepare a community benefit report during the tax year?		<input checked="" type="checkbox"/>
b If "Yes," did the organization make it available to the public?		

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

	(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
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)			172,000.		172,000.	.79%
b Medicaid (from Worksheet 3, column a)			4364800.	2879794.	1485006.	6.80%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total. Financial Assistance and Means-Tested Government Programs			4536800.	2879794.	1657006.	7.59%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			4818604.	1527634.	3290970.	15.06%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total. Other Benefits			4818604.	1527634.	3290970.	15.06%
k Total. Add lines 7d and 7j			9355404.	4407428.	4947976.	22.65%

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 MOBRIDGE REGIONAL HOSPITAL

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?		X
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		X
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	X	
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>18</u>		
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	X	
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		X
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		X
7 Did the hospital facility make its CHNA report widely available to the public?	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>SEE 7D</u>		
b <input type="checkbox"/> Other website (list url): _____		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input checked="" type="checkbox"/> 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	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>18</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	X	
a If "Yes," (list url): <u>SEE PART V, LINE 10A NARRATIVE.</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?		
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)?		X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?		
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)

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group MOBRIDGE REGIONAL HOSPITAL

		Yes	No
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?	X	
If "Yes," indicate the eligibility criteria explained in the FAP:			
a	<input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>100</u> % and FPG family income limit for eligibility for discounted care of <u>300</u> %		
b	<input type="checkbox"/> Income level other than FPG (describe in Section C)		
c	<input checked="" type="checkbox"/> Asset level		
d	<input checked="" type="checkbox"/> Medical indigency		
e	<input checked="" type="checkbox"/> Insurance status		
f	<input checked="" type="checkbox"/> Underinsurance status		
g	<input type="checkbox"/> Residency		
h	<input checked="" type="checkbox"/> Other (describe in Section C)		
14	Explained the basis for calculating amounts charged to patients?	X	
15	Explained the method for applying for financial assistance?	X	
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	<input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
b	<input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c	<input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d	<input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e	<input type="checkbox"/> Other (describe in Section C)		
16	Was widely publicized within the community served by the hospital facility?	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
a	<input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>SEE NARRATIVE</u>		
b	<input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>SEE NARRATIVE</u>		
c	<input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>SEE NARRATIVE</u>		
d	<input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e	<input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f	<input checked="" type="checkbox"/> 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	<input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
h	<input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i	<input type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations		
j	<input checked="" type="checkbox"/> Other (describe in Section C)		

Part V Facility Information (continued)

Billing and Collections

Name of hospital facility or letter of facility reporting group MOBRIDGE REGIONAL HOSPITAL

	Yes	No
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 nonpayment?	X	
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 <input type="checkbox"/> Reporting to credit agency(ies)		
b <input type="checkbox"/> Selling an individual's debt to another party		
c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
d <input type="checkbox"/> Actions that require a legal or judicial process		
e <input type="checkbox"/> Other similar actions (describe in Section C)		
f <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted		
19 Did the hospital facility or other authorized 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?		X
If "Yes," check all actions in which the hospital facility or a third party engaged:		
a <input type="checkbox"/> Reporting to credit agency(ies)		
b <input type="checkbox"/> Selling an individual's debt to another party		
c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
d <input type="checkbox"/> Actions that require a legal or judicial process		
e <input type="checkbox"/> 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 19 (check all that apply):		
a <input checked="" type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs (if not, describe in Section C)		
b <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process (if not, describe in Section C)		
c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications (if not, describe in Section C)		
d <input checked="" type="checkbox"/> Made presumptive eligibility determinations (if not, describe in Section C)		
e <input checked="" type="checkbox"/> Other (describe in Section C)		
f <input type="checkbox"/> 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?	X	
If "No," indicate why:		
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b <input type="checkbox"/> The hospital facility's policy was not in writing		
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)		
d <input type="checkbox"/> Other (describe in Section C)		

Part V Facility Information *(continued)*

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

Name of hospital facility or letter of facility reporting group MOBRIDGE REGIONAL HOSPITAL

	Yes	No
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 <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period		
b <input checked="" type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
c <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
d <input type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method		
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	X
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	X
If "Yes," explain in Section C.		

Schedule H (Form 990) 2018

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, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 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.

MOBRIDGE REGIONAL HOSPITAL:

PART V, SECTION B, LINE 5: THE FACILITY OBTAINED DATA FOR THE COMMUNITY HEALTH NEEDS ASSESSMENT THROUGH SURVEYS AND PERSONAL INTERVIEWS INVOLVING COMMUNITY LEADERS, COMMUNITY HEALTHCARE PROVIDERS, COORDINATING AGENCIES, COMMUNITY MEMBERS AND THE UNDERSERVED POPULATION. ELECTRONIC SURVEYS WERE OBTAINED ALONG WITH PAPER SURVEYS BEING PROVIDED FOR INDIVIDUALS WHO PREFERRED NON-ELECTRONIC MEANS.

MOBRIDGE REGIONAL HOSPITAL:

PART V, SECTION B, LINE 7D: THE CHNA REPORT IS AVAILABLE AT [HTTP://WWW.MOBRIDGEHOSPITAL.ORG/ABOUT-US/COMMUNITY-ASSESSMENT-REPORT-990/](http://www.mobridgehospital.org/about-us/community-assessment-report-990/)

MOBRIDGE REGIONAL HOSPITAL:

PART V, SECTION B, LINE 10A
THE HOSPITAL'S IMPLEMENTATION STRATEGY IS POSTED ON THE WEBSITE AT [HTTP://WWW.MOBRIDGEHOSPITAL.ORG/ABOUT-US/COMMUNITY-ASSESSMENT-REPORT-990/](http://www.mobridgehospital.org/about-us/community-assessment-report-990/)
THE IMPLEMENTATION STRATEGY BEGINS ON PAGE 7 OF THE CHNA.

MOBRIDGE REGIONAL HOSPITAL:

PART V, SECTION B, LINE 11: THE COMMUNITY HEALTH NEEDS ASSESSMENT WAS COMPLETED DURING THE TAX YEAR AND AS SUCH THE HOSPITAL HAS NOT TAKEN SPECIFIC ACTIONS WITH RESPECT TO THE CURRENT IMPLEMENTATION STRATEGY. THE FOLLOWING COMMUNITY HEALTH PRIORITY AREAS WERE IDENTIFIED AND THE FOLLOWING ACTIONS WILL BE TAKEN BY THE HOSPITAL DURING FUTURE YEARS. SOME

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, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 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.

OF THE PRIORITIES MAY BE CONTINUATIONS OF NEEDS ADDRESSED IN THE PRIOR IMPLEMENTATION STRATEGY.

PURSUANT TO THE IMPLEMENTATION STRATEGY ADOPTED BY MOBRIDGE REGIONAL HOSPITAL, THE FOLLOWING ACTIONS PLANS HAVE BEEN DEVELOPED.

EDUCATION REGARDING THE DANGERS ASSOCIATED WITH DRUG & ALCOHOL ABUSE MOBRIDGE REGIONAL HOSPITAL HAS INTERNAL RESOURCES AVAILABLE FOR EDUCATION AND TREATMENT REFERRAL OPTIONS WITH REGARDS TO DRUG AND ALCOHOL ABUSE; MORE WORK WILL BE DONE TO MAKE COMMUNITY MEMBERS AWARE OF THE CURRENT OFFERINGS. IN ADDITION, MRH WILL WORK WITH COMMUNITY PARTNERS TO IDENTIFY, STRENGTHEN, AND/OR CREATE ADDITIONAL RESOURCES. MRH WILL FOCUS EFFORTS ON AN EXTERNAL COMMUNITY CAMPAIGN TO PROVIDE NEEDED EDUCATION REGARDING THE DANGERS ASSOCIATED WITH DRUG AND ALCOHOL ABUSE AND WILL LOOK FOR ADDITIONAL RESOURCES AND OPPORTUNITIES TO FACILITATE TREATMENT OPTIONS AND BEHAVIORAL CHANGES TO PROMOTE HEALTH AND WELLNESS IN THIS AREA.

NEED FOR ADDITIONAL NURSING HOME BEDS/OPTIONS

MOBRIDGE REGIONAL HOSPITAL HAS SUCCESSFULLY PARTNERED WITH THE WALWORTH COUNTY CARE CENTER TO OBTAIN A NURSING HOME INNOVATION GRANT FROM THE STATE OF SOUTH DAKOTA. MRH WILL FULFILL THE OBLIGATIONS OF THE GRANT TO QUANTITATIVELY IDENTIFY THE DEFINITIVE NEED, HELP TO EXPAND EXISTING/NEW SERVICES TO MEET THAT NEED, AND LOOK FOR OPPORTUNITIES TO REDUCE THE NEED BY FOCUSING ON BOLSTERING OR CREATING OTHER OFFERINGS WITHIN THE LONG-TERM CARE CONTINUUM FOR THE COMMUNITY.

NEED FOR ADDITIONAL MENTAL & BEHAVIORAL HEALTH SERVICES

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, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 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.

MOBRIDGE REGIONAL HOSPITAL HAS DONE A LOT OF WORK IN THIS AREA AND HAS MADE SIGNIFICANT STRIDES SINCE THE LAST COMMUNITY HEALTH NEEDS ASSESSMENT, BUT SIGNIFICANT OPPORTUNITIES STILL REMAIN. IN ADDITION TO THE PSYCHIATRY SERVICES ESTABLISHED AND THE TELEMEDICINE LINKAGES AVAILABLE, MRH WILL WORK TO IDENTIFY OPPORTUNITIES TO OFFER ADDITIONAL MENTAL AND BEHAVIORAL HEALTH SERVICES WITHIN THE COMMUNITIES, BOTH PHYSICALLY AND ELECTRONICALLY. EFFORTS TO INCREASE AWARENESS OF CURRENT OFFERINGS WILL TAKE PLACE TO ENSURE THOSE WHO NEED SERVICES KNOW WHAT IS ALREADY AVAILABLE. IN ADDITION, MRH WILL WORK WITH EXISTING MENTAL AND BEHAVIORAL HEALTH PROFESSIONALS TO ENSURE WE CONTINUE TO FUNCTION COLLABORATIVELY AND EXPLORE THE PROVISION OF ADDITIONAL SERVICES TO MEET THE GREAT NEEDS IDENTIFIED.

COMMUNITY TRANSPORTATION

MOBRIDGE REGIONAL HOSPITAL WILL WORK TO IDENTIFY AND ENGAGE COMMUNITY MEMBERS AND STAKEHOLDERS WHO ARE WILLING TO COME TOGETHER TO CREATE AND IMPLEMENT A LONG-TERM PLAN TO ADDRESS THIS NEED. THIS WILL BEGIN WITH THE IDENTIFICATION OF ALL CURRENT OPTIONS, OFFERINGS, AND SERVICE PROVIDING ORGANIZATIONS. ADDITIONAL LOCAL, REGIONAL, AND STATE RESOURCES WILL BE IDENTIFIED AND A GAP ANALYSIS WILL BE CONDUCTED TO DETERMINE AN APPROPRIATE AND REALISTIC STATE TO TRY TO ACHIEVE AND A TIMELINE IN WHICH TO ACHIEVE IT.

CERTAIN ISSUES WERE IDENTIFIED AS IMPORTANT, BASED ON COMMUNITY INPUT AND DISCUSSIONS, BUT MRH HAS NOT ADDRESSED THEM IN THIS PLAN AS THESE NEEDS ARE BETTER ADDRESSED BY OTHER ORGANIZATIONS WITHIN OUR COMMUNITY. MRH HAS A WILLINGNESS TO WORK WITH OTHER ENTITIES WITHIN THE COMMUNITY TO LOOK AT

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, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 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.

PROVIDING APPROPRIATE PROGRAMS, BUT WILL NOT TAKE THE LEAD ON THE FOLLOWING ISSUES:

DAYCARE AND OTHER CHILDCARE SERVICES

INCREASE LOCAL INCOME/DECREASE POVERTY LEVEL - ECONOMIC DEVELOPMENT

INCREASE STAFFING AND LOCAL WORKFORCE DEVELOPMENT

MOBRIDGE REGIONAL HOSPITAL:

PART V, SECTION B, LINE 13H: PRESUMPTIVE ELIGIBILITY MAY BE USED AS A LAST RESORT.

MOBRIDGE REGIONAL HOSPITAL:

PART V, SECTION B, LINE 16J: PART V, LINE 16A, FAP WEBSITE:

HTTP://WWW.MOBRIDGEHOSPITAL.ORG/PATIENTS-AND-VISITORS/PAY-A-BILL/FINANCIAL-ASSISTANCE/

PART V, LINE 16B, FAP APPLICATION WEBSITE:

HTTP://WWW.MOBRIDGEHOSPITAL.ORG/PATIENTS-AND-VISITORS/PAY-A-BILL/FINANCIAL-ASSISTANCE/

PART V, LINE 16C, PLAIN LANGUAGE SUMMARY WEBSITE:

HTTP://WWW.MOBRIDGEHOSPITAL.ORG/PATIENTS-AND-VISITORS/PAY-A-BILL/FINANCIAL-ASSISTANCE/

PART V, LINE 16J:

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, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 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.

A FINANCIAL ASSISTANCE NOTICE IS MADE PART OF THE BILLING INVOICE. A FINANCIAL ASSISTANCE NOTICE IS POSTED IN THE EMERGENCY ROOM, WAITING ROOMS, AND ADMISSIONS OFFICE, AND THE FULL POLICY IS MADE AVAILABLE UPON REQUEST AND ON THE WEBSITE.

MOBRIDGE REGIONAL HOSPITAL:

PART V, SECTION B, LINE 20E: PROVIDED FINANCIAL ASSISTANCE INFORMATION WITH PATIENT DISCHARGE MATERIALS.

MOBRIDGE REGIONAL HOSPITAL:

PART V, SECTION B, LINE 24: THE HOSPITAL FINANCIAL ASSISTANCE POLICY DOES NOT COVER ELECTIVE PROCEDURES. THE HOSPITAL MAY HAVE CHARGED FAP ELIGIBLE PATIENTS GROSS CHARGES FOR SERVICES THAT ARE NOT COVERED UNDER THE FINANCIAL ASSISTANCE POLICY.

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? 4

Name and address	Type of Facility (describe)
1 MOBRIDGE MEDICAL CLINIC 1309 10TH AVE W MOBRIDGE, SD 57601	PROVIDER BASED RURAL HEALTH CLINIC
2 WEST RIVER HEALTH CLINIC 103 1ST AVENUE E MCLAUGHLIN, SD 57642	PROVIDER BASED RURAL HEALTH CLINIC
3 WEST DAKOTA HEALTH CLINIC 906 MAIN TIMBER LAKE, SD 57656	PROVIDER BASED RURAL HEALTH CLINIC
4 PRAIRIE SUNSET VILLAGE 1320 W GRAND XING MOBRIDGE, SD 57601	ASSISTED LIVING & SENIOR HOUSING

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.

PART I, LINE 3C:

IN ADDITION TO FPG, THE HOSPITAL USES AN ASSET TEST, REVIEWS MEDICAL INDIGENCY, AND CONSIDERS INSURANCE STATUS IN DETERMINING ELIGIBILITY FOR FINANCIAL ASSISTANCE. PRESUMPTIVE ELIGIBILITY MAY BE USED AS A LAST RESORT.

PART I, LINE 7:

CHARITY CARE EXPENSE WAS CONVERTED TO COST ON LINE 7A BASED ON AN OVERALL COST-TO-CHARGE RATIO ADDRESSING ALL PATIENT SEGMENTS. LINE 7B WAS DETERMINED USING THE MEDICAID PS&R REPORT AND THE GENERAL LEDGER ACCOUNTING SYSTEM. LINE 7G WAS DETERMINED USING THE MEDICARE COST REPORT FOR FISCAL YEAR ENDING 9/30/19.

PART I, LINE 7G:

SUBSIDIZED HEALTH SERVICES INCLUDES NET COSTS OF \$2,958,774 ATTRIBUTABLE TO PHYSICIAN CLINICS.

PART I, LN 7 COL(F):

Part VI Supplemental Information (Continuation)

BAD DEBT EXPENSE OF \$920,741 WAS SUBTRACTED FROM TOTAL OPERATING EXPENSE.

PART III, LINE 2:

THE HOSPITAL DETERMINES ITS ESTIMATE OF IMPLICIT PRICE CONCESSIONS BASED ON ITS HISTORICAL COLLECTION EXPERIENCE WITH THE RESPECTIVE CLASS OF PATIENTS AND RESIDENTS. THE IMPLICIT PRICE CONCESSIONS INCLUDED IN ESTIMATING THE TRANSACTION PRICE REPRESENT THE DIFFERENCE BETWEEN AMOUNTS BILLED TO PATIENTS AND RESIDENTS AND THE AMOUNTS THE HOSPITAL EXPECTS TO COLLECT BASED ON ITS COLLECTION HISTORY WITH THOSE PATIENTS AND RESIDENTS.

PART III, LINE 3:

THE ESTIMATED AMOUNT OF THE ORGANIZATION'S IMPLICIT PRICE CONCESSIONS ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE POLICY IS CALCULATED BASED ON THE PERCENTAGE OF INDIVIDUALS LIVING BELOW THE POVERTY LEVEL. THE 13.7% CAN REASONABLY BE CONSIDERED A COMMUNITY BENEFIT AS IT WOULD HAVE BEEN WRITTEN OFF TO CHARITY CARE.

PART III, LINE 4:

THE FOOTNOTE FOR BAD DEBT EXPENSE IS LOCATED ON PAGES 8 AND 9 OF THE ATTACHED AUDITED FINANCIAL STATEMENTS.

PART III, LINE 8:

MEDICARE ALLOWABLE COST OF CARE WAS CALCULATED FROM THE MEDICARE COST REPORT FOR THE FISCAL YEAR ENDING 9/30/2019. MEDICAL SERVICES ARE PROVIDED TO PATIENTS WITH MEDICARE COVERAGE REGARDLESS OF WHETHER OR NOT A SURPLUS OR DEFICIT IS REALIZED. PROVIDING MEDICARE SERVICES PROMOTES ACCESS TO HEALTHCARE SERVICES WHICH ARE VITALLY NEEDED BY OUR COMMUNITY. THE MEDICARE COST REPORT IS COMPLETED BASED ON THE RULES AND REGULATIONS SET

Part VI Supplemental Information (Continuation)

FORTH BY THE CENTERS FOR MEDICARE AND MEDICAID SERVICES.

PART III, LINE 9B:

THE PATIENT ACCOUNT SPECIALIST AT THE MOBRIDGE REGIONAL HOSPITAL KEEPS ON FILE ALL GUARANTORS WHO HAVE QUALIFIED FOR FINANCIAL ASSISTANCE AND APPLIES THE FINANCIAL ASSISTANCE TO ALL ACCOUNTS WHEN THE GUARANTOR BALANCE BECOMES DUE. UPDATED FINANCIAL INFORMATION IS REQUESTED ANNUALLY FOR ANY CHANGES IN FINANCIAL ASSISTANCE THAT MAY APPLY.

IF AN ACCOUNT GOES TO COLLECTION AND OUR COLLECTION AGENCY IDENTIFIES THAT A PATIENT IS MEETING FINANCIAL ASSISTANCE ELIGIBILITY CRITERIA, THE PATIENT'S ACCOUNT MAY BE CONSIDERED FOR FINANCIAL ASSISTANCE. COLLECTION ACTIVITY WILL BE SUSPENDED ON ACCOUNTS, AND THE FINANCIAL ASSISTANCE APPLICATION WILL BE REVIEWED. IF THE ENTIRE ACCOUNT BALANCE IS ADJUSTED, THE ACCOUNT WILL BE RETURNED. IF A PARTIAL ADJUSTMENT OCCURS, THE PATIENT FAILS TO COOPERATE WITH THE FINANCIAL ASSISTANCE PROCESS, OR IF THE PATIENT IS NOT ELIGIBLE FOR FINANCIAL ASSISTANCE, COLLECTION ACTIVITY WILL RESUME.

PART VI, LINE 2:

MOBRIDGE REGIONAL HOSPITAL (MRH) IS COMMITTED TO PROVIDING HIGH QUALITY HEALTHCARE SERVICES TO ALL PEOPLE THROUGHOUT THE REGION. THE FACILITY PROVIDES FAMILY MEDICINE, INTERNAL MEDICINE, OB, ICU, ALS, AMBULANCE SERVICE, EMERGENCY CARE, AND SURGICAL SERVICES TO ALL PEOPLE WHO ARE IN NEED OF THOSE SERVICES. MRH CURRENTLY IS WORKING IN COLLABORATION WITH WALWORTH COUNTY AND THE STATE OF SOUTH DAKOTA TO PROVIDE COMMUNITY HEALTH SERVICES, INCLUDING FAMILY PLANNING SERVICES, ADULT HEALTH, AND CHILD IMMUNIZATIONS. MRH'S MANAGEMENT STRIVES TO LISTEN TO THE COMMUNITY NEEDS.

Part VI Supplemental Information (Continuation)

IF NEW HEALTHCARE NEEDS ARISE, ADMINISTRATION WILL COMPLETE AN ANALYSIS OF COST/BENEFIT FOR THE NEW SERVICE TO BE OFFERED. MRH'S ADMINISTRATION BELIEVES IN BEING OUT IN THE PUBLIC AT EVENTS TO ANSWER QUESTIONS THAT MAY SURFACE ABOUT THE FACILITY.

PART VI, LINE 3:

MRH POSTS ITS FINANCIAL ASSISTANCE POLICY, OR A SUMMARY THEREOF, AND FINANCIAL ASSISTANCE CONTACT INFORMATION IN THE ADMISSIONS AREAS AND CLINIC AREAS IN WHICH ELIGIBLE PATIENTS ARE LIKELY TO BE PRESENT. THE FACILITY PROVIDES A COPY OF THE POLICY, OR A SUMMARY THEREOF, AND FINANCIAL ASSISTANCE CONTACT INFORMATION TO PATIENTS WITH DISCHARGE MATERIALS. THE PATIENTS ACCOUNT MANAGER 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.

PART VI, LINE 4:

MRH IS LOCATED IN A SMALL RURAL COMMUNITY IN WALWORTH COUNTY, SOUTH DAKOTA, KNOWN AS MOBRIDGE. WALWORTH COUNTY HAS A POPULATION OF 5,443 PEOPLE RACIALLY COMPRISED OF MAINLY CAUCASIAN (82.4%) AND NATIVE AMERICANS/ALASKAN NATIVE (13.6%). THE COMMUNITY BORDERS THE STANDING ROCK RESERVATION AND THE CHEYENNE RIVER RESERVATION WHICH ACCOUNTS FOR THE LARGER NATIVE AMERICAN POPULATION AND RELATIONS WITH INDIAN HEALTH SERVICES. THE MEDIAN HOUSEHOLD INCOME OF MOBRIDGE IS \$41,358, AND THE MEDIAN FAMILY INCOME IS \$52,316. ROUGHLY 11.5% OF THE POPULATION IS BELOW THE POVERTY LINE. THE FACILITY OWNS AND OPERATES CLINICS IN MOBRIDGE, MCLAUGHLIN AND TIMBER LAKE. THE FACILITY SERVES PATIENTS FROM A SIX COUNTY AREA (WALWORTH, ZIEBACH, CORSON, DEWEY, CAMPBELL AND POTTER) AND IS

Part VI Supplemental Information (Continuation)

APPROXIMATELY ONE HUNDRED MILES FROM ANOTHER HOSPITAL WITH A HIGHER LEVEL OF CARE OFFERED. ZIEBACH COUNTY IS THE 6TH POOREST COUNTY IN AMERICA, AND 46% OF PEOPLE LIVING IN THIS COUNTY ARE UNDER FEDERAL POVERTY GUIDELINES.

PART VI, LINE 5:

THE MOBRIDGE REGIONAL HOSPITAL IS COMMITTED TO THE PATIENTS WE SERVE, REGARDLESS OF RACE, COLOR, RELIGION, SEX, DISABILITY, OR ABILITY TO PAY. THE ORGANIZATION'S FINANCIAL ASSISTANCE ADJUSTMENTS HAVE CONTINUED TO TREND UP OVER THE PAST FEW YEARS, AND WE CONTINUE TO FOCUS BUDGET EFFORTS TO CONTINUE THIS TREND. MRH IS 100 MILES FROM ANOTHER HEALTHCARE FACILITY WITH A HIGHER LEVEL OF CARE AND PARTICIPATES IN THE NORTH DAKOTA AND SOUTH DAKOTA TRAUMA SYSTEMS WITH LEVEL III AND LEVEL IV CERTIFICATIONS, RESPECTIVELY. MRH CONTINUES A BROAD LEVEL OF BOARD INVOLVEMENT FOR CORSON, DEWEY, AND WALWORTH COUNTIES TO MONITOR COMMUNITY NEEDS IN THOSE AREAS. MRH CONTINUES TO BE A POPULAR PLACE FOR MEDICAL STUDENTS TO COMPLETE CLINICAL ROTATIONS, AND WE CONTINUE TO OFFER A WIDE VARIETY OF CERTIFICATION CLASSES TO NURSES AND THE MEMBERS OF THE COMMUNITY INCLUDING EMT-B, PALS, ACLS, TNCC, ALSO, NALS, EMT-I, AND CPR.

MRH HAS DEVELOPED A WORKSITE WELLNESS PROGRAM WITHIN THE ORGANIZATION AND HAS GOALS TO WORK WITH OTHER BUSINESSES IN THE COMMUNITY TO PROMOTE OVERALL HEALTHY LIFESTYLES.

MRH PROVIDES VARIOUS HEALTH SCREENINGS AVAILABLE TO THE COMMUNITY AND SURROUNDING COMMUNITIES THROUGHOUT THE YEAR. THE HEALTH SCREENINGS INCLUDE FREE CHOLESTEROL CHECKS, BMI, BLOOD PRESSURE AND WAIST/HIP RATIOS. THESE PREVENTATIVE HEALTH SCREENINGS PROMOTE THE GENERAL HEALTH OF THE COMMUNITY.

Part VI Supplemental Information (Continuation)

THE HOSPITAL HAS A BOARD OF DIRECTORS COMPRISED OF VOLUNTEERS WHO RESIDE
IN THE SERVICE AREA. MEDICAL STAFF PRIVILEGES ARE EXTENDED TO ALL
QUALIFIED PHYSICIANS IN THE AREA. ALL QUALIFIED PHYSICIANS WHO SHOW AN
INTEREST MUST GO THROUGH A CREDENTIAL REVIEW AND BOARD APPROVAL. SURPLUS
FUNDS, IF AVAILABLE, ARE REINVESTED IN THE FACILITIES TO IMPROVE PATIENT
CARE.

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

2018

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
 ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
 ▶ Attach to Form 990.
 ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

Name of the organization: **MOBRIDGE REGIONAL HOSPITAL**
 Employer identification number: **46-0255944**

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |

b If any of the boxes on 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

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

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.

- | | |
|--|---|
| <input checked="" type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed on 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?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on 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?
- b** Any related organization?
- If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7	X	
8		X
9		

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

Schedule J (Form 990) 2018

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 on 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 aren't 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 on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) DR. ROBERT MARCIANO FAMILY MD/DIRECTOR	(i)	335,027.	19,143.	0.	11,000.	16,692.	381,862.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) DR. TRAVIS HENDERSON INTERNAL MEDICINE/DIRECTOR	(i)	333,798.	0.	0.	11,000.	25,450.	370,248.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) DR. MATT SCHAFFER PHYSICIAN	(i)	299,542.	36,112.	0.	11,000.	22,835.	369,489.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) DR. JOSH HENDERSON INTERNAL MEDICINE	(i)	286,058.	0.	0.	11,000.	23,021.	320,079.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) DR. AHMED ALI SURGEON UNTIL MARCH	(i)	201,829.	78,394.	0.	0.	6,222.	286,445.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) HOLLY LASHMET CRNA	(i)	251,956.	10,000.	0.	1,014.	10,073.	273,043.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) DR. DONALD LUCEK SURGEON FROM MAY	(i)	240,479.	10,909.	0.	0.	11,463.	262,851.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

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.

PART I, LINE 3:

THE CEO IS COMPENSATED THROUGH A MANAGEMENT AGREEMENT WITH ST. ALEXIUS
MEDICAL CENTER IN BISMARCK, ND. THE BOARD OF DIRECTORS OF MOBRIDGE REGIONAL
HOSPITAL REVIEWS THE MANAGEMENT AGREEMENT AND MAKES A DETERMINATION AS TO
WHETHER THE COMPENSATION FOR THE CEO'S SERVICES IS REASONABLE.

PART I, LINE 7:

THE PHYSICIANS ARE PAID BASED ON RELATIVE VALUE UNIT BASED PRODUCTION.

**SCHEDULE K
(Form 990)**
Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.**
▶ **Attach to Form 990.** ▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2018
Open to Public Inspection

Name of the organization **MOBRIDGE REGIONAL HOSPITAL** Employer identification number **46-0255944**

Part I	Bond Issues	SEE PART VI FOR COLUMN (F) CONTINUATIONS											
		(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
								Yes	No	Yes	No	Yes	No
	A	CITY OF MOBRIDGE, SOUTH DAKOTA	46-6000320	607429BA4	05/08/07	5,773,898.	REFINANCE BONDS ISSUED 1997 USED		X		X		X
	B												
	C												
	D												

Part II	Proceeds								
		A		B		C		D	
1	Amount of bonds retired	3,865,000.							
2	Amount of bonds legally defeased								
3	Total proceeds of issue	5,773,898.							
4	Gross proceeds in reserve funds	265,908.							
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	88,005.							
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	1,000,000.							
11	Other spent proceeds	4,416,499.							
12	Other unspent proceeds								
13	Year of substantial completion	2008							
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a refunding issue of tax-exempt bonds (or, if issued prior to 2018, a current refunding issue)?		X						
15	Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, an advance refunding issue)?	X							
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

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

Schedule K (Form 990) 2018

Part III Private Business Use								
	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2 Are there any lease arrangements that may result in private business use of bond-financed property?		X						
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?		X						
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government00 %		%		%		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government00 %		%		%		%
6 Total of lines 4 and 500 %		%		%		%
7 Does the bond issue meet the private security or payment test?		X						
8a Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of		%		%		%		%
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?		X						

Part IV Arbitrage								
	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X						
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?		X						
b Exception to rebate?		X						
c No rebate due?	X							
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?		X						

Part IV Arbitrage (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X						
7 Has the organization established written procedures to monitor the requirements of section 148?		X						

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation isn't available under applicable regulations?	X							

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K. See instructions

SCHEDULE K, PART I, BOND ISSUES:

(A) ISSUER NAME: CITY OF MOBRIDGE, SOUTH DAKOTA

(F) DESCRIPTION OF PURPOSE:

REFINANCE BONDS ISSUED 1997 USED FOR CONSTRUCTION; PURCHASE CT, CLINIC & EM

SCHEDULE K, PART IV, ARBITRAGE, LINE 2C:

(A) ISSUER NAME: CITY OF MOBRIDGE, SOUTH DAKOTA

DATE THE REBATE COMPUTATION WAS PERFORMED: 08/15/2017

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.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2018Open to Public
Inspection

Name of the organization

MOBRIDGE REGIONAL HOSPITAL

Employer identification number

46-0255944

FORM 990, PART VI, SECTION A, LINE 3:

MRH CURRENTLY HAS A MANAGEMENT AGREEMENT WITH CHI ST. ALEXIUS MEDICAL CENTER IN BISMARCK, ND. THE MANAGEMENT AGREEMENT PROVIDES THAT CHI ST. ALEXIUS HEALTH WILL PROVIDE MANAGEMENT AND ADMINISTRATIVE SERVICES. THE AGREEMENT REMAINS IN EFFECT IN PERPETUITY BUT MAY BE CANCELLED BY THE HOSPITAL FOLLOWING A 90-DAY NOTICE. JOHN AYOUB, CEO, RECEIVED COMPENSATION OF \$205,451 AND ESTIMATED BENEFITS OF \$34,077. THE CEO OVERSEES ALL DAILY OPERATIONAL ACTIVITIES AND REPORTS TO THE ORGANIZATION'S BOARD OF DIRECTORS. THE CEO WORKS VERY CLOSELY WITH ALL DEPARTMENT SUPERVISORS TO ENSURE THAT ALL AREAS OF THE HOSPITAL ARE RUNNING EFFICIENTLY AND SMOOTHLY. THE CEO IS RESPONSIBLE FOR PHYSICIAN CONTRACTING AND WORKS VERY CLOSELY WITH HUMAN RESOURCES FOR RECRUITMENT OF PROFESSIONAL MEDICAL STAFF.

FORM 990, PART VI, SECTION A, LINE 6:

THERE IS ONLY ONE CLASS OF MEMBER; ALL MEMBERS HAVE ONE VOTE (SAME VOTING RIGHTS). EACH PERSON WHO DONATES \$100 OR MORE IS A MEMBER ENTITLED TO ONE VOTE.

FORM 990, PART VI, SECTION A, LINE 7A:

THE NOMINATING COMMITTEE NOMINATES CANDIDATES FOR ELECTION. THE MEMBERS VOTE ON CANDIDATES AT THE ANNUAL MEETING.

FORM 990, PART VI, SECTION A, LINE 8B:

THERE IS NO COMMITTEE WITH THE AUTHORITY TO ACT ON BEHALF OF THE GOVERNING BODY.

Name of the organization

MOBRIDGE REGIONAL HOSPITAL

Employer identification number

46-0255944

FORM 990, PART VI, SECTION B, LINE 11B:

THE CEO, CFO, AND BOARD OF DIRECTORS WILL REVIEW THE FORM 990 VIA ELECTRONIC TRANSMISSION PRIOR TO FILING WITH THE IRS.

FORM 990, PART VI, SECTION B, LINE 12C:

THE CONFLICT OF INTEREST POLICY COVERS THE ENTIRE BOARD OF DIRECTORS. IF A CONFLICT SHOULD ARISE, IT WOULD FIRST GO TO THE CEO FOR EVALUATION, THEN TO THE BOARD OF DIRECTORS FOR FINAL EVALUATION. THE BOARD OF DIRECTORS IS RESPONSIBLE FOR MAKING THE FINAL DECISION IN DETERMINING IF A CONFLICT EXISTS. IF A CONFLICT IS FOUND, THE PERSON(S) INVOLVED WOULD BE REQUIRED TO ABSTAIN FROM DISCUSSIONS AND VOTING ON THE ITEM CAUSING THE CONFLICT.

FORM 990, PART VI, SECTION B, LINE 15:

THE FINANCE COMMITTEE DETERMINES AND APPROVES THE PHYSICIAN CONTRACTS, INCLUDING COMPENSATION. THE CEO'S SALARY IS DETERMINED USING A SALARY SURVEY AND DISCUSSIONS WITH THE MANAGEMENT COMPANY. THE FINANCE COMMITTEE APPROVES THE SALARY OF THE CEO ANNUALLY. THE BOARD OF DIRECTORS APPROVES THE FINANCE COMMITTEE MINUTES, WHICH INCLUDE DISCUSSIONS REGARDING THE CEO'S SALARY.

SALARIES FOR OTHER OFFICERS OR MEMBERS OF MANAGEMENT ARE DETERMINED BY THE CEO THROUGH THE USE OF SALARY SURVEY INFORMATION FROM SDAHO AND EMPLOYEE SERVICE AND EXPERIENCE FILES.

THIS PROCESS IS UNDERTAKEN ANNUALLY.

FORM 990, PART VI, SECTION C, LINE 19:

DOCUMENTS ARE MADE AVAILABLE UPON REQUEST.

Name of the organization MOBRIDGE REGIONAL HOSPITAL	Employer identification number 46-0255944
---	---

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

CHANGE IN FOUNDATION INTEREST 29,920.

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2018

Open to Public Inspection

Name of the organization **MOBRIDGE REGIONAL HOSPITAL** Employer identification number **46-0255944**

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
MOBRIDGE REGIONAL HEALTHCARE FOUNDATION - 46-0416693, PO BOX 580, MOBRIDGE, SD 57601	OUTREACH FOR MOBRIDGE REGIONAL HOSPITAL	SOUTH DAKOTA	501(C)(3)	LINE 12C, III-FI	MOBRIDGE REGIONAL HOSPITAL		X

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

Schedule R (Form 990) 2018

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

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

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

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

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

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

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

	Yes	No
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)	X	
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)		X
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)		X
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	X	
o Sharing of paid employees with related organization(s)	X	
p Reimbursement paid to related organization(s) for expenses		X
q Reimbursement paid by related organization(s) for expenses		X
r Other transfer of cash or property to related organization(s)		X
s Other transfer of cash or property from related organization(s)		X

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Form **8868**
(Rev. January 2019)

Application for Automatic Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**
▶ **Go to www.irs.gov/Form8868 for the latest information.**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Enter filer's identifying number	
	Name of exempt organization or other filer, see instructions. MOBRIDGE REGIONAL HOSPITAL	Employer identification number (EIN) or 46-0255944
File by the due date for filing your return. See instructions. Number, street, and room or suite no. If a P.O. box, see instructions. 1401 10TH AVE W	Social security number (SSN)	
City, town or post office, state, and ZIP code. For a foreign address, see instructions. MOBRIDGE, SD 57601		

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

RENAE TISDALL

- The books are in the care of ▶ **PO BOX 580 - MOBRIDGE, SD 57601**
Telephone No. ▶ **605-845-8164** Fax No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 6-month extension of time until **AUGUST 15, 2020**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year _____ or
 ▶ tax year beginning **OCT 1, 2018**, and ending **SEP 30, 2019**.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA **For Privacy Act and Paperwork Reduction Act Notice, see instructions.**

Form **8868** (Rev. 1-2019)

Electronic Filing PDF Attachment



Financial Statements
September 30, 2019 and 2018
Mobridge Regional Hospital

Mobridge Regional Hospital

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September 30, 2019 and 2018

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Board of Directors
Mobridge Regional Hospital
Mobridge, South Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of Mobridge Regional Hospital, which comprise the balance sheets as of September 30, 2019 and 2018, 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mobridge Regional Hospital as of September 30, 2019 and 2018, 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

Sioux Falls, South Dakota
January 21, 2020

Mobridge Regional Hospital

Balance Sheets

September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 9,437,035	\$ 8,329,988
Restricted cash and cash equivalents	-	10,170
Assets limited as to use	533,000	518,000
Receivables		
Patient and resident	3,864,520	3,484,114
Other	88,283	54,685
Related party - Mobridge Regional Healthcare Foundation	-	187,341
Estimated third-party payor settlements	191,000	103,516
Supplies	484,959	429,895
Prepaid expenses	194,664	180,658
Total current assets	<u>14,793,461</u>	<u>13,298,367</u>
Assets Limited as to Use		
Designated by board as funded depreciation	268,986	268,905
Under indenture agreements	142,668	142,464
Total assets limited as to use, net of current portion	<u>411,654</u>	<u>411,369</u>
Property and Equipment, Net	<u>9,951,389</u>	<u>10,608,477</u>
Other Assets		
Other investments	1,268,500	1,268,500
Other receivables	309,215	208,821
Prepaid expenses	13,316	5,200
Deferred compensation plan	542,697	522,625
Interest in net assets of Mobridge Regional Healthcare Foundation	907,662	860,742
Total other assets	<u>3,041,390</u>	<u>2,865,888</u>
Total assets	<u>\$ 28,197,894</u>	<u>\$ 27,184,101</u>

Mobridge Regional Hospital

Balance Sheets

September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	\$ 522,400	\$ 504,500
Accounts payable	362,156	398,455
Accrued expenses		
Salaries and wages	415,931	373,338
Vacation	636,228	566,610
Interest	31,500	38,500
Deposits	10,001	10,001
	<u>1,978,216</u>	<u>1,891,404</u>
Noncurrent Liabilities		
Long-term debt, less current maturities, unamortized premiums, and unamortized debt issuance costs	4,704,123	5,218,546
Deferred compensation payable	542,697	522,625
	<u>5,246,820</u>	<u>5,741,171</u>
Total liabilities	<u>7,225,036</u>	<u>7,632,575</u>
Net Assets		
Without donor restrictions	20,065,196	18,680,614
With donor restrictions	907,662	870,912
	<u>20,972,858</u>	<u>19,551,526</u>
Total liabilities and net assets	<u>\$ 28,197,894</u>	<u>\$ 27,184,101</u>

Mobridge Regional Hospital
Statements of Operations
Years Ended September 30, 2019 and 2018

	2019	2018
Revenues, Gains, and Other Support Without Donor Restrictions		
Patient and resident service revenue	\$ 22,173,309	\$ 21,314,103
Other revenue	454,327	419,647
Net assets released from restrictions for operations	10,170	112,543
Total revenues, gains, and other support without donor restrictions	22,637,806	21,846,293
Expenses		
Salaries and wages	10,656,588	10,068,365
Employee benefits	2,918,609	2,728,208
Professional services	1,419,142	1,177,601
Supplies	3,153,862	3,053,085
General and administrative	390,487	401,794
Insurance	255,702	279,715
Utilities and telephone	311,492	302,227
Other	1,029,950	998,050
Rental	40,839	39,589
Travel, education, and meetings	105,732	91,028
Depreciation	1,340,927	1,365,184
Interest	223,227	244,615
Total expenses	21,846,557	20,749,461
Operating Income	791,249	1,096,832
Other Income		
Investment income	204,349	124,765
Contributions without donor restrictions	388,984	825
Gain on the sale of assets	-	6,600
Total other income	593,333	132,190
Revenues in Excess of Expenses and Change in Net Assets Without Donor Restrictions	\$ 1,384,582	\$ 1,229,022

Mobridge Regional Hospital
Statements of Changes in Net Assets
Years Ended September 30, 2019 and 2018

	2019	2018
Net Assets Without Donor Restrictions		
Revenues in excess of expenses and change in net assets without donor restrictions	\$ 1,384,582	\$ 1,229,022
Net Assets With Donor Restrictions		
Change in interest in net assets of foundation	46,920	36,438
Grants and contributions restricted by donor	-	10,170
Net assets released from restrictions	(10,170)	(112,543)
Change in net assets with donor restrictions	36,750	(65,935)
Change in Net Assets	1,421,332	1,163,087
Net Assets, Beginning of Year	19,551,526	18,388,439
Net Assets, End of Year	\$ 20,972,858	\$ 19,551,526

Mobridge Regional Hospital
Statements of Cash Flows
Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating Activities		
Change in net assets	\$ 1,421,332	\$ 1,163,087
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	1,340,927	1,365,184
Amortization of debt issuance costs and bond premiums	7,974	7,974
Gain on the sale of assets	-	(6,600)
Undistributed portion of change in interest in net assets of Mobridge Regional Healthcare Foundation	(46,920)	(36,438)
Grants and contributions restricted by donor	-	(10,170)
Changes in assets and liabilities		
Patient and resident receivables	(380,406)	(364,361)
Other and related party receivables	53,349	(11,809)
Supplies	(55,064)	(71,668)
Prepaid expenses	(22,122)	(43,564)
Accounts payable	(36,299)	(71,635)
Estimated third-party payor settlements	(87,484)	(345,516)
Accrued expenses	105,211	46,296
Deferred revenue	-	(88,707)
Net Cash from Operating Activities	<u>2,300,498</u>	<u>1,532,073</u>
Investing Activities		
Purchase of property and equipment	(683,839)	(1,276,223)
Purchase of assets limited as to use and other investments	(15,285)	(27,042)
Change in restricted cash and cash equivalents	10,170	102,373
Net Cash used for Investing Activities	<u>(688,954)</u>	<u>(1,200,892)</u>
Financing Activities		
Principal payments on long-term debt	(504,497)	(481,697)
Grants and contributions restricted by donor	-	10,170
Net Cash used for Financing Activities	<u>(504,497)</u>	<u>(471,527)</u>
Net Change in Cash and Cash Equivalents	1,107,047	(140,346)
Cash and Cash Equivalents, Beginning of Year	8,329,988	8,470,334
Cash and Cash Equivalents, End of Year	<u>\$ 9,437,035</u>	<u>\$ 8,329,988</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	<u>\$ 222,253</u>	<u>\$ 243,308</u>

Note 1 - Organization and Significant Accounting Policies**Organization**

Mobridge Regional Hospital (Hospital) operates a 25-bed critical access hospital, a 16-bed assisted living center, an 8-bed senior housing center in Mobridge, South Dakota, and medical clinics located in Mobridge, Timber Lake, and McLaughlin, South Dakota.

Income Taxes

The Hospital is a South Dakota nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Hospital is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Hospital is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Hospital 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 Hospital 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 Hospital 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.

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.

Restricted Cash

Restricted cash and cash equivalents represent proceeds received under grant agreements that have not been expended as of the balance sheet date.

Patient and Resident Receivables

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

Mobridge Regional HospitalNotes to Financial Statements
September 30, 2019 and 2018

Patient and resident accounts receivable are stated net of any explicit and implicit price concessions and then further reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Hospital analyzes accounts for adverse changes in a patient's and resident's or third party payor's ability to pay that may have occurred subsequent to recognition. Management regularly reviews data about receivable balances and its past history with similar cases to estimate the appropriate allowance for doubtful accounts and provision for bad debts.

The Hospital has not adjusted the promised amount of consideration from patients and residents and third-party payors for the effects of a significant financial component due to the Hospital's expectation that the period between the time the service is provided to a patient or resident and the time that the patient or resident or third-party payor pays for that service will be one year or less. However, the Hospital does, in certain instances, enter into payment arrangements with patients and residents that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

Physician and Employee Notes Receivable

The Hospital issues notes to physicians and employees as part of its recruitment process. Notes are repayable over a minimum of a two-year period to a maximum of a three-year period. The notes are issued with forgiveness provisions over the life of the note to encourage retention. Based on historical analysis, it is anticipated that the balance of the notes will be forgiven. At September 30, 2019 and 2018, notes receivable from physicians and employees were \$370,218 and \$450,846. The physician and employee notes receivable are included in other receivables on the balance sheets.

Supplies

Supplies are stated at lower of cost or net realizable value on a first-in, first-out basis.

Assets Limited as to Use

Assets limited as to use include assets held by trustees under indenture agreements and assets set aside by the board for funded depreciation. Assets limited as to use that are required for obligations classified as current liabilities are reported in current assets.

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

Short-term certificates of deposit have original maturities from 3 months to 12 months. Long-term certificates of deposit have maturities greater than 12 months. Investments in certificates of deposit that are not publicly traded are recorded at cost.

Mobridge Regional Hospital

Notes to Financial Statements
September 30, 2019 and 2018

Fair Value Measurements

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

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

A fair value hierarchy has been established, which prioritizes the valuation inputs into three broad levels. Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the Hospital 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.

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. The estimated useful lives of property and equipment are as follows:

Land improvements	8 - 20 years
Buildings and improvements	10 - 40 years
Equipment	3 - 25 years

Gifts of long-lived assets such as land, buildings, or equipment are reported as additions to net assets without donor restrictions, and are excluded from revenues in excess of expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. 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.

The Hospital considers whether indicators of impairment are present and performs the necessary analysis to determine if the carrying values of assets are appropriate. No impairment was identified for the years ended September 30, 2019 and 2018.

Unamortized Debt Issuance Costs and Bond Premiums

Unamortized debt issuance costs and bond premiums are amortized to interest expense over the period the related obligation is outstanding using the straight-line method, which is a reasonable estimate of the effective interest method. Debt issuance costs and bond premiums are included within the long-term debt on the balance sheets. Amortization of debt issuance costs is included in interest expense in the accompanying financial statements.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as net assets with donor restrictions 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, net assets with donor restrictions are reclassified as net assets without donor restrictions 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 contributions without donor restrictions in the statement of operations.

Net Assets with Donor Restrictions

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and report as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor or certain grantor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor or certain grantor restrictions. Some donor imposed or grantor restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Hospital reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets.

Deferred Compensation

The Hospital has a non-qualified deferred compensation plan that permits eligible employees to defer a portion of their compensation in accordance with the applicable provisions of the Internal Revenue Code. Deferred amounts are not available to employees until a distribution event occurs, as defined in the plan document. The assets are held in the name of the Hospital until paid or made available to the plan participant. The related assets are reported in other noncurrent assets, and the corresponding liability is recorded in other noncurrent liabilities.

Patient and Resident Service Revenue

Patient and resident service revenue is reported at the amount that reflects the consideration to which the Hospital expects to be entitled in exchange for providing patient and resident care. These amounts are due from patients or residents, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews and investigations. Generally, the Hospital bills the patients or residents and third-party payors several days after the services are performed and/or the patient or resident is discharged from the facilities. Revenue is recognized as performance obligations are satisfied.

Mobridge Regional Hospital

Notes to Financial Statements

September 30, 2019 and 2018

Performance obligations are determined based on the nature of the services provided by the Hospital. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Hospital believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patient care in the hospital and clinic settings and residents receiving skilled nursing services. The Hospital measures the performance obligation associated with inpatient acute services from admission into the hospital to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge. The Hospital measures the performance obligation for outpatient and medical clinic services over the patient encounter, which is generally short in duration. The Hospital measures the performance obligation associated with residents receiving skilled nursing services from the beginning of the performance period, generally admission or the beginning of the month, to the sooner of completion of services to that resident, discharge or the end of the month. Revenue for performance obligations satisfied at a point in time is recognized when goods or services are provided, and the Hospital does not believe it is required to provide additional goods or services to the patient or resident.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Hospital has elected to not disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services or skilled nursing services to residents at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged or for residents, the sooner of completion of services, discharge or the end of the month, which generally occurs within days or weeks of the end of the reporting period.

The Hospital determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients and residents in accordance with the Hospital's policy, and/or implicit price concessions provided to uninsured patients and residents. The Hospital determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies and historical experience applied to a portfolio of accounts. The Hospital determines its estimate of implicit price concessions based on its historical collection experience with the respective class of patients and residents.

Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Hospital's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews and investigations.

Mobridge Regional HospitalNotes to Financial Statements
September 30, 2019 and 2018

Consistent with the Hospital's mission, care is provided to patients and residents regardless of their ability to pay. Therefore, the Hospital has determined it has provided implicit price concessions to uninsured patients and residents and patients and residents with other uninsured balances (for example, co-pays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and residents and the amounts the Hospital expects to collect based on its collection history with those patients and residents.

Other Operating Revenues

Other revenue is recognized at an amount that reflects the consideration to which the Hospital expects to be entitled in exchange for providing goods and services. The amounts recognized reflect consideration due from customers, third-party payors, and others. Primary categories of other revenue include income from other retail revenue, cafeteria revenue, certain facility rent and lease revenue, electronic health record incentive payments, and other.

Charity Care

To fulfill its mission of community service, the Hospital provides care to patients and residents who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Since the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient and resident service revenue. The estimated cost of providing these services was \$172,000 and \$135,000 for the years ended September 30, 2019 and 2018, calculated by multiplying the ratio of cost to gross charges for the Hospital by the gross uncompensated charges associated with providing charity care to its patients.

Revenues in Excess of Expenses

Revenues in excess of expenses is the performance indicator and excludes 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.

Advertising Costs

Costs incurred for producing and distributing advertising are expensed as incurred. The Hospital incurred \$77,087 and \$85,023 for advertising costs for the years ended September 30, 2019 and 2018.

Functional Allocation of Expenses

The financial statements report categories that are attributed to program service activities or supporting activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The functional expenses report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, such as depreciation and amortization, interest, and other occupancy costs, and certain employee benefit costs are allocated to a function based on a square-footage, usage, salaries, units-of-service basis while the remainder of expenses are allocated on the basis of estimates of time and effort. Note 14 presents the natural classification detail of expenses by function.

New Accounting Pronouncements

As of October 1, 2018, the Hospital adopted the provisions of Accounting Standards Update No. 2014-09 (ASU 2014-09), *Revenues from Contracts with Customers* (Topic 606). The guidance provides a principles-based approach for determining revenue recognition and supersedes all existing guidance, such as current transaction and industry-specific revenue recognition guidance. The core principle of ASU 2014-09 is that an entity will recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (payment) to which the entity expects to be entitled in exchange for those goods or services. An entity is also required to disclose sufficient quantitative and qualitative information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. ASU 2014-09 identifies a five-step process in order to recognize revenue. In addition, there is also more comprehensive guidance for transactions such as service revenue, contract modifications and multiple-element arrangements.

The Hospital has elected to apply certain allowable practical expedients when applying the guidance. For completed contracts, the Hospital did not restate contracts that began and ended within the same annual reporting period. For completed contracts that have variable consideration, the Hospital used the transaction price at the date the contract was completed rather than estimating variable consideration amounts in the comparative reporting period. For the prior year presented, the Hospital will not disclose the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the Hospital expects to recognize that amount as revenue. The Hospital has applied the above practical expedients consistently to all contracts within all reporting periods presented. The Hospital does not believe the effect of applying these expedients has a material impact on the amounts presented or disclosed.

The adoption of the new standard resulted in changes to the presentation and disclosure of revenue related to uninsured and underinsured patients. Prior to adoption of ASU 2014-09, the Hospital presented a separate provision for bad debts related to 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). Under ASU No. 2014-09, the estimated uncollectible amounts due from these patients are generally considered an implicit price concessions direct reduction to patient service revenue and resulted in a material reduction in the amounts previously presented separately as provision for bad debts. As such, the 2018 provision for bad debts of \$1,855,237 has been reclassified and presented as a reduction to patient service revenue in current presentation. The adoption of the new standard did not have a significant or material impact on recognition of total operating revenues for any period and there was no cumulative effect of a change in accounting principle recorded, but did result in expanded footnote disclosures.

As of October 1, 2018, the Hospital adopted the provisions of Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements for Not-For-Profit Entities*. The provisions of the ASU replace the existing three classes of net assets with two new classes (net assets without donor restrictions and net assets with donor restrictions) and enhance the disclosure requirements for donor restricted endowment funds and underwater endowments. As a result of implementation, 2018 temporarily restricted net assets of \$870,912 are now presented as net assets with donor restrictions.

Mobridge Regional Hospital

Notes to Financial Statements
September 30, 2019 and 2018

ASU 2016-14 introduces new disclosure requirements to provide information about what is included or excluded from the Hospital's intermediate measure of operations as well as disclosures to improve a financial statement user's ability to assess the Hospital's liquidity and exposure to risk. The ASU also introduces new reporting requirements to present expenses by both function and natural classification in a single location and to present investment returns on the statement of operations net of external and direct internal investment expenses. The amendments should be applied on a retrospective basis; however, if presenting comparative financial statements, the ASU allows for the option to omit, for any periods presented before the period of adoption, the analysis of expenses by both natural classification and functional classification (the separate presentation of expenses by functional classification and expenses by natural classification is still required), and the disclosure about liquidity and availability of resources. The Hospital has elected to apply the practical expedient and not disclose prior year functional expenses by both natural classification and by function and liquidity and availability of resources. The Hospital has adopted this standard as management believes the standard improves the usefulness and understandability of the Hospital's financial reporting.

Subsequent Events

The Hospital has evaluated subsequent events through January 21, 2020, the date which the financial statements were available to be issued.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following as of September 30, 2019:

Cash and cash equivalents	\$ 9,437,035
Assets limited as to use	
Under indenture agreements	533,000
Designated by board as funded depreciation	268,986
Receivables	3,864,520
Estimated third-party payor settlements	<u>191,000</u>
	<u>\$ 14,294,541</u>

Assets limited as to use that are considered available for general expenditure consist of deposits held by a trustee that will be used for principal and interest payments within one year of the balance sheet date and amounts designated by the Board to function as an operating reserve. Although the Hospital does not intend to spend from this reserve, these amounts could be made available if necessary.

Note 3 - Net Patient and Resident Service Revenue

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

Medicare – Hospital: The Hospital is licensed as a Critical Access Hospital (CAH). The Hospital is reimbursed for most inpatient and outpatient services at cost with final settlement determined after submission of annual cost reports by the Hospital and are subject to audits thereof by the Medicare intermediary. The Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through the year ended September 30, 2016.

Medicare – Clinics: The Mobridge Medical Clinic (Mobridge, SD), West Dakota Health Center (Timber Lake, SD) and West River Health Clinic (McLaughlin, SD) are designated as provider-based rural health clinics (RHC) by the Medicare program. As a result, clinical services rendered to Medicare program beneficiaries are reimbursed at cost.

Medicaid: Inpatient acute care services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Clinical and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a historical cost-based reimbursement methodology adjusted annually. The Hospital is reimbursed for Medicaid assisted living resident services at established billing rates as prescribed by the South Dakota Department of Social Services regulations.

Wellmark Blue Cross and Blue Shield: Services rendered to Blue Cross and Blue Shield subscribers are reimbursed under a prospectively determined percentage of charges methodology. The prospectively determined discount is not subject to retroactive adjustment.

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

Laws and regulations governing the Medicare, Medicaid, and other programs are extremely complex and subject to interpretation. The Hospital has potential settlements with third-party payors for retroactive adjustments that are considered variable consideration and included in the determination of the estimated transaction price for providing patient care. As a result, there is an ongoing level of uncertainty relative to the estimated liability for prior period cost reports. There is a reasonable possibility that recorded estimates will change by a material amount in the near term.

Generally, patients and certain residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Hospital also provides services to uninsured patients, and offers those uninsured patients a discount, either by policy or law, from standard charges. The Hospital estimates the transaction price for patients and residents with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions.

Mobridge Regional Hospital

Notes to Financial Statements
September 30, 2019 and 2018

The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts and implicit price concessions based on historical collection experience. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient and resident service revenue in the period of the change. The ability to estimate the collectability of uninsured and other self-pay patients is contingent on the patient's ability or willingness to pay for the services provided. Subsequent changes that are determined to be the result of an adverse change in the patient's and resident's ability to pay are recorded as provision for bad debts. The provision for bad debts for the years ended September 30, 2019 and 2018 was not significant.

The composition of patient and resident service revenue by payor for the years ended September 30, 2019 and 2018 is as follows:

	2019	2018
Medicare	41.7%	37.2%
Medicaid	16.7%	14.2%
Commercial insurance	32.8%	34.9%
Other third-party payors, patients, and residents	8.8%	13.7%
	<u>100.0%</u>	<u>100.0%</u>

Note 4 - Investments and Investment Income**Assets Limited as to Use**

The composition of assets limited as to use at September 30, 2019 and 2018, is shown in the following table.

	2019	2018
Under bond indenture agreement - held by trustee		
Bond sinking fund - Cash and cash equivalents	\$ 267,750	\$ 267,750
Bond reserve fund - Cash and cash equivalents	407,918	392,714
	<u>675,668</u>	<u>660,464</u>
Less amount shown as current	533,000	518,000
	<u>\$ 142,668</u>	<u>\$ 142,464</u>
Designated by board as funded depreciation		
Cash and cash equivalents	\$ 268,986	\$ 268,905
	<u>\$ 268,986</u>	<u>\$ 268,905</u>

Other Investments

Long-term investments include certificates of deposit of \$1,268,000 and \$1,268,000 as of September 30, 2019 and 2018.

Other assets also include deferred compensation assets which are invested in mutual funds and totaled \$542,697 and \$522,625 as of September 30, 2019 and 2018.

Mobridge Regional Hospital
Notes to Financial Statements
September 30, 2019 and 2018

Investment Income

Investment income and gains and losses on assets limited as to use, cash equivalents, short-term investments, and other investments consists of the following for the years ended September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Interest and dividend income	<u>\$ 204,349</u>	<u>\$ 124,765</u>

Note 5 - Fair Value Measurements**Fair Values of Assets and Liabilities**

Assets measured at fair value on a recurring basis at September 30, 2019 and 2018, respectively, are as follows:

	<u>Quoted Prices In Active Markets (Level 1)</u>	<u>Other Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>	<u>Total</u>
September 30, 2019				
Deferred compensation plan Mutual funds	<u>\$ 542,697</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 542,697</u>
September 30, 2018				
Deferred compensation plan Mutual funds	<u>\$ 522,625</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 522,625</u>

The fair value for these securities is determined by reference to quoted market prices.

Financial Instruments

The Hospital considers the carrying amount of significant classes of financial instruments on the balance sheets, including cash and cash equivalents, net accounts receivable, assets limited as to use, other assets, accounts payable, accrued liabilities, and other current and long-term liabilities to be reasonable estimates of fair value due to the length of maturity underlying such financial instruments that approximate prevailing market rates at September 30, 2019 and 2018.

As of September 30, 2019 and 2018, the Hospital had fixed-rate bonds with a carrying amount that differed from its estimated fair value. The fair value of the Hospital's fixed rate debt with a carrying amount of \$1,890,000 was estimated to be \$1,890,454 as of September 30, 2019. The fair value of the Hospital's fixed rate debt with a carrying amount of \$2,310,000 was estimated to be \$2,259,827 as of September 30, 2018. The fair value of the Hospital's fixed rate long-term debt is estimated using discounted cash flow analyses, based on the Hospital's effective borrowing rates at respective reporting dates for similar types of arrangements.

Note 6 - Property and Equipment

A summary of property and equipment at September 30, 2019 and 2018, is as follows:

	2019		2018	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	\$ 95,575	\$ -	\$ 95,575	\$ -
Land improvements	830,941	562,887	823,667	510,358
Buildings and improvements	15,900,908	9,595,523	15,900,908	9,159,750
Equipment	16,403,909	13,426,325	15,862,265	12,573,701
Construction in progress	304,791	-	169,871	-
	<u>\$ 33,536,124</u>	<u>\$ 23,584,735</u>	<u>\$ 32,852,286</u>	<u>\$ 22,243,809</u>
Net property and equipment		<u>\$ 9,951,389</u>		<u>\$ 10,608,477</u>

Construction in progress at September 30, 2019 and 2018 consists of preliminary architectural, feasibility, appraisal, surveyor, and application fees related to the Hospital's master facility project.

Note 7 - Leases

The Hospital leases certain equipment under various operating leases with terms of less than one year or cancellable upon written notice. Total lease expense for the years ended September 30, 2019 and 2018, for all operating leases was \$40,380 and \$39,589, respectively.

Mobridge Regional Hospital
Notes to Financial Statements
September 30, 2019 and 2018

Note 8 - Long-Term Debt

	2019	2018
City of Mobridge, South Dakota Health Care Facilities Revenue Bonds, Series 2007, 5.00% (effective interest rate of 5.1%) with varying annual sinking fund requirements, interest due semi-annually and principal due annually until December 1, 2022	\$ 1,890,000	\$ 2,310,000
Unamortized bond premium	3,861	5,080
Unamortized debt issuance costs	(29,109)	(38,301)
USDA Rural Development Program mortgage notes payable, 3.75%, due in monthly installments of \$16,625, including interest, through June 26, 2052	3,361,771	3,446,267
	5,226,523	5,723,046
Less current maturities	(522,400)	(504,500)
	\$ 4,704,123	\$ 5,218,546

Long-term debt maturities are as follows:

Years Ending September 30,	
2020	\$ 522,400
2021	550,400
2022	578,500
2023	606,700
2024	100,000
Thereafter	2,893,771
Unamortized bond premium	3,861
Less unamortized debt issuance costs	(29,109)
	\$ 5,226,523

Under the terms of the USDA Rural Development Program mortgage note payable agreement, the Hospital is required to maintain certain restricted deposits. Such deposits are included with assets limited as to use in the financial statements.

Under the terms of the revenue refunding bonds loan agreement, the Hospital is required to maintain certain deposits with a trustee. Such deposits are included with assets limited as to use in the financial statements. The loan agreement also places limits on the incurrence of additional borrowings and requires that the Hospital satisfy certain measures of financial performance including a covenant that income available for debt service coverage must equal at least 120 percent of annual debt service requirements on all funded debt. Substantially all of the Hospital's assets at September 30, 2019 and 2018, are pledged as collateral for the debt obligations.

The Hospital's debt agreements contain certain restrictive covenants, including the maintenance of specific financial ratios and amounts. Management believes the Hospital is in compliance with all debt covenants as of September 30, 2019 and 2018.

Note 9 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes at September 30, 2019 and 2018:

	2019	2018
Subject to expenditure for a specified purpose		
Interest in net assets of foundation - funds held		
by foundation for health care programs and services	\$ 907,662	\$ 860,742
Grants restricted for capital purchases and specific programs	-	10,170
	\$ 907,662	\$ 870,912

During 2019 and 2018, net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes in the amounts of \$10,170 and \$112,544, respectively. These amounts are included in net assets released from restrictions in the accompanying financial statements.

Note 10 - Benefit Plans

Employee 401(k) Retirement Plan

The Hospital has a defined contribution 401(k) plan which is administered by Mutual of America. Full time employees may participate upon reaching age 18 and completion of one year of service. Part time employees may participate upon reaching age 18 and completion of 1,080 hours of service. Employer contributions of up to 4 percent of annual compensation are deposited with the plan trustee who invests the plan assets. Total pension plan expense for the years ended September 30, 2019 and 2018, was \$335,085 and \$320,170.

Participants are immediately 100 percent vested in employer contributions and actual earnings thereon.

Deferred Compensation Agreement

Effective January 1, 2008, the Hospital adopted the Mobridge Regional Hospital 457(b) Deferred Compensation Plan (the Plan) for certain key employees. The Hospital's Board of Directors designates the participants under the Plan and the Plan is a salary reduction agreement only. As of September 30, 2019 and 2018, the Plan had three participants and a balance of \$542,697 and \$522,625, respectively.

Note 11 - Commitments and Contingencies**Malpractice Insurance**

The Hospital has malpractice insurance coverage to provide protection for professional liability losses on a claims-made basis subject to a limit of \$1 million per claim and \$3 million annual aggregate. 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 Assessments

The Hospital 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 litigations, claims, and disputes in process will not be material to the financial position of the Hospital.

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. Management believes that the Hospital is in substantial compliance with current laws and regulations.

Note 12 - Related Party Transactions

Mobridge Regional Hospital Foundation (Foundation) is organized to solicit contributions and hold funds on behalf of the Hospital. Funds are distributed to the hospital as determined by the Foundation's Board of Directors. The Hospital's interest in the net assets of the foundation is reported as a noncurrent asset in the accompanying balance sheets. The amount recorded in the balance sheet is equal to the net assets held by the Foundation that are for the benefit of the Hospital.

Note 13 - Management Agreement – CHI St. Alexius Health

During 2017, the Hospital signed a new management agreement with CHI St. Alexius Health. The management agreement provides that CHI St. Alexius Health will provide management and administrative services. The agreement remains in effect in perpetuity but may be cancelled by the Hospital following a 90-day notice.

Mobridge Regional Hospital

Notes to Financial Statements

September 30, 2019 and 2018

Note 14 - Functional Expenses

The Hospital provides health care services to residents within its geographic location. Expenses related to providing these services by functional class for the year ended September 30, 2019 are as follows:

	Health Care Services		General and Administrative	Total
	Patient Services	Assisted Living Services		
Salaries and wages	\$ 9,292,154	\$ 237,188	\$ 1,127,246	\$ 10,656,588
Employee benefits	2,711,397	24,448	182,764	2,918,609
Professional services	1,079,718	-	339,424	1,419,142
Supplies	3,038,983	24,831	90,048	3,153,862
Administrative	86,776	1,681	302,030	390,487
Insurance	255,702	-	-	255,702
Utilities and telephone	232,013	31,912	47,567	311,492
Other	774,163	3,234	252,553	1,029,950
Rental	37,205	-	3,634	40,839
Travel, education, and meetings	88,589	634	16,509	105,732
	<u>17,596,700</u>	<u>323,928</u>	<u>2,361,775</u>	<u>20,282,403</u>
Depreciation	1,010,819	49,771	280,337	1,340,927
Interest	223,227	-	-	223,227
	<u>\$ 18,830,746</u>	<u>\$ 373,699</u>	<u>\$ 2,642,112</u>	<u>\$ 21,846,557</u>

Expenses related to providing these services by functional class for the year ended September 30, 2018 are as follows:

	2018
Health care services	\$ 18,444,229
General and administrative	<u>2,305,232</u>
	<u>\$ 20,749,461</u>

Note 15 - Concentrations of Credit Risk

The Hospital grants credit without collateral to its patients and residents, most of who are insured under third-party payor agreements. The Hospital's composition of receivables from third-party payors, patients, and residents at September 30, 2019 and 2018, was as follows:

	<u>2019</u>	<u>2018</u>
Medicare	32%	27%
Wellmark Blue Cross and Blue Shield	15%	17%
Medicaid	9%	11%
U.S. Public Health Service	15%	17%
Commercial insurance	12%	13%
Self pay and other	<u>17%</u>	<u>15%</u>
	<u><u>100%</u></u>	<u><u>100%</u></u>

The Hospital's cash balances are maintained in various bank deposit accounts. At various times during the years ended September 30, 2019 and 2018, the balances of these deposits were in excess of federally-insured limits.