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PUBLIC DISCLOSURE COPY



October 23, 2019

Community Memorial Hospital, Inc.
PO Box 319
Burke, SD 57523-0319
Attention: Mistie Sachtjen

Dear Mistie,

Enclosed is the 2018 Exempt Organization return, as follows...

2018 Form 990

2018 IRS E-File Signature Authorization For An Exempt Organization (Form 8879-EO)

Please review the return for completeness and accuracy.

In addition, we have included a separate public disclosure copy of the Form 990 and Form 990-T (if applicable) located on Eide Bailly Connect. All exempt organizations are required to have a copy of their current year Form 990 and two prior year returns available for public inspection. If the Form 990 includes a Schedule of Contributors (Schedule B), we have removed the names and addresses of contributors from this return, as this information is not open to public inspection. Only organizations exempt under 501(c)(3) must make the current year Form 990-T and two prior year returns available. You should print and sign the public disclosure copy(ies) and keep them available at your primary office location. A copy of the returns will be retained on Eide Bailly Connect for four years.

South Dakota nonprofit organizations receiving grants, pass-through grants, or any other awards granted by a state agency after July 1, 2016, are required to display their public disclosure Form 990 on the organization's website immediately following filing of the Form 990 with the IRS. Please make sure the public disclosure copy of the organizations' Form 990 is posted to your website, if applicable. This is a requirement under South Dakota Codified Law Chapter 1-56 Paragraph 10.

We have prepared the return from information you furnished us without verification. Upon examination of the return by tax

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authorities, requests may be made for underlying data. We therefore recommend that you preserve all records which you may be called upon to produce in connection with such possible examinations.

Many states require legal entities to register with them in order to do business in their state. Please remember to keep your registration active and current for each state that you have business activities.

We sincerely appreciate the opportunity to serve you. Please contact us if you have any questions concerning the tax return.

Sincerely,

Laurie Hanson

TAX RETURN FILING INSTRUCTIONS

** FORM 990 PUBLIC DISCLOSURE COPY **

FOR THE YEAR ENDING
December 31, 2018

Prepared for	Community Memorial Hospital, Inc. PO Box 319 Burke, SD 57523-0319
Prepared by	EIDE BAILLY LLP 200 EAST 10TH ST, PO BOX 5125 SIOUX FALLS, SD 57117-5125
Amount due or refund	Not applicable
Make check payable to	Not applicable
Mail tax return and check (if applicable) to	Not applicable
Return must be mailed on or before	Not applicable
Special Instructions	This copy of the return is provided ONLY for Public Disclosure purposes. Any confidential information regarding large donors has been removed.

Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2018

Department of the Treasury
Internal Revenue Service

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

▶ Do not enter social security numbers on this form as it may be made public.
▶ 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 and ending

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 COMMUNITY MEMORIAL HOSPITAL, INC.		D Employer identification number 46-0219795
	Doing business as		E Telephone number 605-775-2621
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	
	PO BOX 319		G Gross receipts \$ 6,642,176.
	City or town, state or province, country, and ZIP or foreign postal code BURKE, SD 57523-0319		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
F Name and address of principal officer: MISTIE SACTJEN SAME AS C ABOVE		H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No	
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		If "No," attach a list. (see instructions)	
J Website: WWW.BURKEHOSPITAL.COM		H(c) Group exemption number ▶	
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: 1945	M State of legal domicile: SD

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: PROVIDE MEDICAL SERVICES		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a) 3		
	4 Number of independent voting members of the governing body (Part VI, line 1b) 5		
	5 Total number of individuals employed in calendar year 2018 (Part V, line 2a) 75		
	6 Total number of volunteers (estimate if necessary) 10		
	7a Total unrelated business revenue from Part VIII, column (C), line 12 0.		
7b Net unrelated business taxable income from Form 990-T, line 38 0.			
Revenue	8 Contributions and grants (Part VIII, line 1h) 401,381.	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g) 4,739,594.	177,535.	5,564,118.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) 61,544.	148,226.	120,796.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 120,796.	61,752.	5,323,315.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) 5,323,315.	5,951,631.	
	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) 1,125.	5,420.	
Expenses	14 Benefits paid to or for members (Part IX, column (A), line 4) 0.	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) 2,538,966.	2,616,139.	
	16a Professional fundraising fees (Part IX, column (A), line 11e) 0.	0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25) 0.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) 2,088,153.	2,443,921.	
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) 4,628,244.	5,065,480.	
19 Revenue less expenses. Subtract line 18 from line 12 695,071.	886,151.		
Net Assets or Fund Balances	20 Total assets (Part X, line 16) 7,556,829.	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26) 1,641,977.	11,923,868.	5,238,293.
	22 Net assets or fund balances. Subtract line 21 from line 20 5,914,852.	6,685,575.	

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	Date			
	MISTIE SACTJEN, CEO Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name LAURIE HANSON	Preparer's signature LAURIE HANSON	Date 10/23/19	Check if self-employed <input type="checkbox"/>	PTIN P00851848
	Firm's name ▶ EIDE BAILLY LLP	Firm's EIN ▶ 45-0250958	Phone no. 605-339-1999		
Firm's address ▶ 200 EAST 10TH ST, PO BOX 5125 SIOUX FALLS, SD 57117-5125					

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 [X]

1 Briefly describe the organization's mission: EXCELLENCE IN THE PROVISION OF HEALTH CARE AND RELATED SERVICES, GOVERNED AS A NOT-FOR-PROFIT COMMUNITY ORGANIZATION, SERVING THE NEEDS OF OUR PEOPLE WITH SUPERIOR QUALITY AND VALUE.

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 [X] No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

4a (Code:) (Expenses \$ 3,952,235. including grants of \$ 5,420.) (Revenue \$ 5,627,718.) COMMUNITY MEMORIAL HOSPITAL, INC., A 16-BED ACUTE CARE HOSPITAL, PROMOTES HEALTH OF THE COMMUNITY BY PROVIDING A VARIETY OF HEALTH CARE SERVICES. DURING 2018, COMMUNITY MEMORIAL HOSPITAL HAD 4,137 CLINIC VISITS IN BURKE AND 561 CLINIC VISITS IN BONESTEEL. THE HOSPITAL HAD 117 ADMISSIONS, 303 PATIENT DAYS, AND 985 SWINGBED DAYS.

COMMUNITY MEMORIAL HOSPITAL HAS TAKEN STEPS TO ENHANCE PREVENTIVE CARE ON A YEARLY BASIS FOR PEOPLE OF ALL AGES THROUGH THE DEVELOPMENT OF SPECIALTY CLINICS TO ENSURE THAT THOSE WHO COME HERE FOR PREVENTIVE CARE RECEIVE THE SCREENINGS AND RECOMMENDATIONS APPROPRIATE TO THEIR PERSONAL AND FAMILY HISTORY. JUST A FEW OF THE SPECIALTY CLINICS PROVIDED ARE A WOMEN'S HEALTH CLINIC, VASCULAR SCREENING CLINIC, FLU

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 3,952,235.

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>	1 X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	2 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>	3	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>	4	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>	5	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>	6	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>	7	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>	8	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>	9	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>	10	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>	11a 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>	11b	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>	11c	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>	11d	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>	11e	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>	11f 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>	12a 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>	12b	X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	13	X
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	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>	14b	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>	15	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>	16	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>	17	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>	18 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>	19	X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	20a X	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b 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>	21	X

Part IV Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

	Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	

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

		Yes	No
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
	2a 75		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	X	
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d	If "Yes," indicate the number of Forms 8282 filed during the year		
	7d		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the sponsoring organization make any taxable distributions under section 4966?		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state?	13a	
Note. See the instructions for additional information the organization must report on Schedule O.			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
c	Enter the amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	
15	Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year?	15	X
If "Yes," see instructions and file Form 4720, Schedule N.			
16	Is the organization an educational institution subject to the section 4968 excise tax on net investment income?	16	X
If "Yes," complete Form 4720, Schedule O.			

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.		
1b	Enter the number of voting members included in line 1a, above, who are independent		
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	
7b	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:		
8a	a The governing body?	X	
8b	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
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
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?		
15a	a The organization's CEO, Executive Director, or top management official	X	
15b	b Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		X
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
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

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 **TAMI LYON - 605-775-2621**
PO BOX 319, BURKE, SD 57523-0319

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) THOMAS GLOVER CHAIRMAN	2.00	X		X				0.	0.	0.
(2) MICHAEL KARBO VICE CHAIRMAN	1.00	X		X				0.	0.	0.
(3) KAREN MARTIN SECRETARY/TREASURER	1.00	X		X				0.	0.	0.
(4) AJ STEFFEN DIRECTOR	1.00	X						0.	0.	0.
(5) RICHARD DOBESH DIRECTOR	1.00	X						0.	0.	0.
(6) BECKY JONES DIRECTOR	1.00	X						0.	0.	0.
(7) CLAYTON STEELE DIRECTOR	1.00	X						0.	0.	0.
(8) KATE WITT DIRECTOR	1.00	X						0.	0.	0.
(9) SUE CHYTKA DIRECTOR	1.00	X						0.	0.	0.
(10) MISTIE SACTHJEN CEO	40.00			X				0.	0.	0.
(11) DEB LEIBEL CNP	40.00				X		114,681.	0.	9,396.	

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
1b Sub-total							114,681.	0.	9,396.	
c Total from continuation sheets to Part VII, Section A							0.	0.	0.	
d Total (add lines 1b and 1c)							114,681.	0.	9,396.	

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

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
PUETZ CORPORATION 800 N KIMBALL ST, MITCHELL, SD 57301	CONSTRUCTION	3,129,595.
SANFORD HEALTH PO BOX 5074, SIOUX FALLS, SD 57117-5074	MANAGEMENT FEES, CEO WAGES, IT SUPPORT	422,425.
CARDINAL HEALTH PO BOX 70539, CHICAGO, IL 60673	MEDICAL DRUGS/SUPPLIES	294,960.
SANFORD CLINIC 1305 W 18TH ST, SIOUX FALLS, SD 57105	MD WAGES	274,839.
WINNER PHYSICAL THERAPY 825 E 8TH ST #204, WINNER, SD 57580	PT COVERAGE FOR IN HOUSE PATIENTS	173,967.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **11**

Part VIII Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c	50,114.				
	d Related organizations	1d					
	e Government grants (contributions)	1e	48,201.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	79,220.				
	g Noncash contributions included in lines 1a-1f: \$						
	h Total. Add lines 1a-1f		177,535.				
Program Service Revenue	2 a PATIENT SERVICE REVENUE	Business Code 621110	3,900,954.	3,900,954.			
	b CLINIC REVENUE	621498	975,383.	975,383.			
	c PHARMACY REVENUE	446110	578,632.	578,632.			
	d						
	e						
	f All other program service revenue	900099	109,149.	109,149.			
	g Total. Add lines 2a-2f		5,564,118.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		57,501.			57,501.	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	(i) Real	63,600.				
		(ii) Personal					
		b Less: rental expenses	0.				
		c Rental income or (loss)	63,600.				
	d Net rental income or (loss)		63,600.	63,600.			
	7 a Gross amount from sales of assets other than inventory	(i) Securities	775,000.				
		(ii) Other					
		b Less: cost or other basis and sales expenses	682,821.	1,454.			
		c Gain or (loss)	92,179.	-1,454.			
d Net gain or (loss)		90,725.			90,725.		
8 a Gross income from fundraising events (not including \$ 50,114. of contributions reported on line 1c). See Part IV, line 18	a	4,422.					
	b Less: direct expenses	6,270.					
	c Net income or (loss) from fundraising events		-1,848.			-1,848.	
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							
	b						
	c						
	d All other revenue						
	e Total. Add lines 11a-11d						
12 Total revenue. See instructions			5,951,631.	5,627,718.	0.	146,378.	

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 X

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	5,420.	5,420.		
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				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	378,804.	378,804.		
7 Other salaries and wages	1,822,637.	1,428,044.	394,593.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	50,784.	42,428.	8,356.	
9 Other employee benefits	205,925.	133,110.	72,815.	
10 Payroll taxes	157,989.	127,501.	30,488.	
11 Fees for services (non-employees):				
a Management	189,053.		189,053.	
b Legal	7,558.		7,558.	
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch. O.)	922,143.	827,463.	94,680.	
12 Advertising and promotion	13,798.	2,616.	11,182.	
13 Office expenses	79,367.	16,110.	63,257.	
14 Information technology	107,592.		107,592.	
15 Royalties				
16 Occupancy	65,816.	59,744.	6,072.	
17 Travel	6,284.	3,668.	2,616.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	13,801.	3,427.	10,374.	
20 Interest	17,049.	12,770.	4,279.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	305,215.	277,104.	28,111.	
23 Insurance	28,991.		28,991.	
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	503,295.	495,143.	8,152.	
b BAD DEBT EXPENSE	116,360.	110,213.	6,147.	
c EQUIPMENT & MAINTENANCE	36,105.	16,277.	19,828.	
d LICENSES, DUES & SUBSCR	23,584.	12,393.	11,191.	
e All other expenses	7,910.		7,910.	
25 Total functional expenses. Add lines 1 through 24e	5,065,480.	3,952,235.	1,113,245.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing		1	
	2 Savings and temporary cash investments	2,497,829.	2	3,098,014.
	3 Pledges and grants receivable, net	377,757.	3	256,857.
	4 Accounts receivable, net	528,206.	4	570,038.
	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	0.	7	217,500.
	8 Inventories for sale or use	85,351.	8	123,651.
	9 Prepaid expenses and deferred charges	41,523.	9	35,083.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 8,050,091.		
	b Less: accumulated depreciation	10b 1,464,649.		
	11 Investments - publicly traded securities	840,587.	11	676,376.
	12 Investments - other securities. See Part IV, line 11	9,899.	12	18,037.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	390,195.	15	342,870.
16 Total assets. Add lines 1 through 15 (must equal line 34)	7,556,829.	16	11,923,868.	
Liabilities	17 Accounts payable and accrued expenses	751,958.	17	718,638.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	890,019.	23	4,519,655.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25	1,641,977.	26	5,238,293.
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	5,530,553.	27	6,485,461.
	28 Temporarily restricted net assets	384,299.	28	200,114.
	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	5,914,852.	33	6,685,575.	
34 Total liabilities and net assets/fund balances	7,556,829.	34	11,923,868.	

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	5,951,631.
2	Total expenses (must equal Part IX, column (A), line 25)	2	5,065,480.
3	Revenue less expenses. Subtract line 2 from line 1	3	886,151.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	5,914,852.
5	Net unrealized gains (losses) on investments	5	-115,428.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	6,685,575.

Part XII Financial Statements and Reporting

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

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

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support
Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
▶ Attach to Form 990 or Form 990-EZ.
▶ 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 **COMMUNITY MEMORIAL HOSPITAL, INC.** Employer identification number **46-0219795**

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

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ).)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations
 - g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
Total						

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 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? If "Yes" to a, b, or c, provide detail in Part VI .		

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

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? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.		

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

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).		

Schedule A (Form 990 or 990-EZ) 2018

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

COMMUNITY MEMORIAL HOSPITAL, INC.

Employer identification number

46-0219795

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 COMMUNITY MEMORIAL HOSPITAL, INC.	Employer identification number 46-0219795
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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/> <hr/>	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<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/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<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/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<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/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization COMMUNITY MEMORIAL HOSPITAL, INC.	Employer identification number 46-0219795
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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 COMMUNITY MEMORIAL HOSPITAL, INC.	Employer identification number 46-0219795
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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)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **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.**

OMB No. 1545-0047

2018

Open to Public Inspection

Name of the organization **COMMUNITY MEMORIAL HOSPITAL, INC.** Employer identification number **46-0219795**

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.

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

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

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

Preservation of land for public use (e.g., recreation or education) Preservation of a historically important land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

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

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	2d

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

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

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

Yes No

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

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

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

Yes No

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

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

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

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

(i) Revenue included on Form 990, Part VIII, line 1

▶ \$ _____

(ii) Assets included in Form 990, Part X

▶ \$ _____

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

a Revenue included on Form 990, Part VIII, line 1

▶ \$ _____

b Assets included in Form 990, Part X

▶ \$ _____

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

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

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

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

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

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" 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:

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

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

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" 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		44,228.		44,228.
b Buildings		5,360,807.	209,835.	5,150,972.
c Leasehold improvements				
d Equipment		2,188,385.	1,198,165.	990,220.
e Other		456,671.	56,649.	400,022.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				6,585,442.

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)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

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)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	

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

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

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

1	Total revenue, gains, and other support per audited financial statements	1	5,726,113.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	-115,428.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	-110,090.
e	Add lines 2a through 2d	2e	-225,518.
3	Subtract line 2e from line 1	3	5,951,631.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	5,951,631.

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	4,955,390.
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	-110,090.
e	Add lines 2a through 2d	2e	-110,090.
3	Subtract line 2e from line 1	3	5,065,480.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	5,065,480.

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 IS ORGANIZED AS A SOUTH DAKOTA NONPROFIT CORPORATION AND HAS BEEN RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS EXEMPT FROM FEDERAL INCOME TAXES UNDER INTERNAL REVENUE SERVICE 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 ORGANIZATION HAS DETERMINED IT IS NOT SUBJECT TO UNRELATED BUSINESS INCOME TAX AND HAS NOT FILED AN EXEMPT ORGANIZATION BUSINESS INCOME TAX RETURN (FORM 990-T) WITH THE IRS.

THE HOSPITAL BELIEVES THAT IT HAS APPROPRIATE SUPPORT FOR ANY TAX

Part XIII Supplemental Information (continued)

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 EXPENSE	-116,360.
FUNDRAISING EXPENSES	6,270.
TOTAL TO SCHEDULE D, PART XI, LINE 2D	-110,090.

PART XII, LINE 2D - OTHER ADJUSTMENTS:

BAD DEBT EXPENSE	-116,360.
FUNDRAISING EXPENSES	6,270.
TOTAL TO SCHEDULE D, PART XII, LINE 2D	-110,090.

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

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

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

COMMUNITY MEMORIAL HOSPITAL, INC.

Employer identification number

46-0219795

Part I

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

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

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

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

b If "Yes," list the 10 highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Total						

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

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

Revenue		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))
		2018 GALA (event type)	(event type)	NONE (total number)	
	1 Gross receipts	54,536.			54,536.
	2 Less: Contributions	50,114.			50,114.
	3 Gross income (line 1 minus line 2)	4,422.			4,422.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes	112.			112.
	6 Rent/facility costs				
	7 Food and beverages	3,889.			3,889.
	8 Entertainment				
	9 Other direct expenses	2,269.			2,269.
	10 Direct expense summary. Add lines 4 through 9 in column (d)				6,270.
	11 Net income summary. Subtract line 10 from line 3, column (d)				-1,848.

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

Revenue		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	7 Direct expense summary. Add lines 2 through 5 in column (d)				
	8 Net gaming income summary. Subtract line 7 from line 1, column (d)				

9 Enter the state(s) in which the organization conducts gaming activities: _____
a Is the organization licensed to conduct gaming activities in each of these states? Yes No
b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended, or terminated during the tax year? Yes No
b If "Yes," explain: _____

- 11** Does the organization conduct gaming activities with nonmembers? Yes No
- 12** Is the organization a grantor, beneficiary or trustee of a trust, or a member of a partnership or other entity formed to administer charitable gaming? Yes No
- 13** Indicate the percentage of gaming activity conducted in:
- | | | |
|--------------------------------------|------------|---|
| a The organization's facility | 13a | % |
| b An outside facility | 13b | % |
- 14** Enter the name and address of the person who prepares the organization's gaming/special events books and records:
- Name ▶ _____
- Address ▶ _____
- 15a** Does the organization have a contract with a third party from whom the organization receives gaming revenue? Yes No
- b** If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____
- c** If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ \$ _____

Description of services provided ▶ _____

Director/officer
 Employee
 Independent contractor

17 Mandatory distributions:

- a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? Yes No
- b** Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

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

**SCHEDULE H
(Form 990)**

Department of the Treasury
Internal Revenue Service

Hospitals

- ▶ 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.

OMB No. 1545-0047

2018

Open to Public Inspection

Name of the organization **COMMUNITY MEMORIAL HOSPITAL, INC.** Employer identification number **46-0219795**

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 type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>150</u> %		
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)			18,000.		18,000.	.36%
b Medicaid (from Worksheet 3, column a)			344,523.	316,938.	27,585.	.56%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total. Financial Assistance and Means-Tested Government Programs			362,523.	316,938.	45,585.	.92%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			20,828.	1,700.	19,128.	.39%
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			1090890.	835,179.	255,711.	5.17%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total. Other Benefits			1111718.	836,879.	274,839.	5.56%
k Total. Add lines 7d and 7j			1474241.	1153817.	320,424.	6.48%

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

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

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	5	2,483,129.
6 Enter Medicare allowable costs of care relating to payments on line 5	6	2,501,014.
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-17,885.
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input checked="" type="checkbox"/> Other		

Section C. Collection Practices

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

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

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %

Part V Facility Information

Section A. Hospital Facilities

(list in order of size, from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

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

	Licensed hospital	Gen. medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
1 COMMUNITY MEMORIAL HOSPITAL, INC PO BOX 319 BURKE, SD 57523 WWW.BURKEHOSPITAL.COM 10530	X				X		X		2 PROVIDER BASED RURAL HEALTH CLINICS	

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 COMMUNITY MEMORIAL HOSPITAL, INC

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>16</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 BELOW</u>		
b <input checked="" type="checkbox"/> Other website (list url): <u>SEE 7D BELOW</u>		
c <input 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>16</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	X	
a If "Yes," (list url): <u>SEE 7D ABOVE</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 COMMUNITY MEMORIAL HOSPITAL, INC

	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>150</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 checked="" type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e <input checked="" 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 PART V, LINE 16J NARRATIVE</u>		
b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>SEE PART V, LINE 16J NARRATIVE</u>		
c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>SEE PART V, LINE 16J NARR</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 COMMUNITY MEMORIAL HOSPITAL, INC

	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 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?	21	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 COMMUNITY MEMORIAL HOSPITAL, INC

		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.		

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.

COMMUNITY MEMORIAL HOSPITAL, INC:

PART V, SECTION B, LINE 5: COMMUNITY MEMORIAL SURVEYED SEVERAL CROSS SECTIONS OF THE COMMUNITY INCLUDING THE CITY COUNCIL, STAFF OF THE BURKE PUBLIC SCHOOL, BURKE COMMUNITY CLUB, AND COUNTY EMPLOYEES, BOARD OF DIRECTORS, COMMUNITY MEMORIAL EMPLOYEES AND BANK EMPLOYEES. IN ADDITION A SURVEY LINK WAS PUBLISHED IN THE LOCAL PAPER FOR OTHER INTERESTED PARTIES TO COMPLETE IF THEY WERE INTERESTED.

COMMUNITY MEMORIAL HOSPITAL, INC:

PART V, SECTION B, LINE 7D:

PART V, LINE 7A:

[HTTPS://WWW.BURKEHOSPITAL.COM/COPY-OF-MISSION-AND-VISION](https://www.burkehospital.com/copy-of-mission-and-vision)

PART V, LINE 7B:

[HTTPS://WWW.SANFORDHEALTH.ORG/ABOUT/COMMUNITY-HEALTH-NEEDS-ASSESSMENT](https://www.sanfordhealth.org/about/community-health-needs-assessment)

COMMUNITY MEMORIAL HOSPITAL, INC:

PART V, SECTION B, LINE 11: THE HOSPITAL TAKES PRIDE IN ADDRESSING THE NEEDS IDENTIFIED FROM THE COMMUNITY HEALTH NEEDS ASSESSMENT AND CONTINUES TO MAKE IT A FOCUS EVERY YEAR. OUR COMMUNITY IS A HUGE PART OF OUR SUCCESS AND AS A FACILITY WE WANT TO GIVE BACK AS MUCH AS POSSIBLE. ADMINISTRATION AND STAFF ARE VERY ACTIVE IN THE COMMUNITY AND FOCUS ON MAKING IMPROVEMENTS WITHIN THE COMMUNITY.

PRIORITY 1: PHYSICAL HEALTH. AS A HEALTH CARE FACILITY WE CONTINUE TO BE

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.

COMMITTED TO PROMOTING A HEALTHY LIFESTYLE. WE ENCOURAGE OUR PATIENTS AND COMMUNITY MEMBERS TO BE MORE ACTIVE. WE CONTINUE TO COLLABORATE WITH OUR LOCAL FITNESS CENTER TO COVER THE COSTS OF VARIOUS EXERCISE CLASSES ALLOWING THE CLASSES TO BE OFFERED AT NO COST TO THE PUBLIC. SEVERAL NEW CLASSES WERE ADDED IN 2018 INCLUDING A YOUTH DANCE CLASS TO GET CHILDREN FOCUSED ON PHYSICAL HEALTH AT A YOUNGER AGE. WE WILL CONTINUE TO ASSIST IN IMPROVING UPON THE SERVICES OFFERED. WE ALSO WORKED TOGETHER HOSTING THE ANNUAL COMMUNITY WEIGHT LOSS CHALLENGE.

WE CONTINUE TO OFFER A VARIETY OF LAB TESTS FREE OR AT A DISCOUNTED RATE DURING OUR COMMUNITY HEALTH FAIRS HELD TWICE EACH YEAR. THE HOSPITAL ALSO IMPLEMENTED A QUARTERLY NEWSLETTER TO KEEP COMMUNITY MEMBERS UP TO DATE ON SERVICES BEING OFFERED IN ADDITION TO EDUCATIONAL INFORMATION FROM PROVIDERS. HEALTH AWARENESS EDUCATION WAS POSTED ON THE FACILITY WEBPAGE REGULARLY AND A HEART HEALTH LUNCH AND LEARN WAS HELD FREE TO THE PUBLIC.

PRIORITY 2: MENTAL HEALTH. MENTAL HEALTH EFFECTS PEOPLE OF ALL AGES AND IS A SERIOUS HEALTH PROBLEM THAT CAN BE DIFFICULT TO ADDRESS. AS A FACILITY, WE WORKED HARD TO IMPROVE OUR ACCESS TO MENTAL HEALTH SERVICES AND WERE ABLE TO SECURE A FULL TIME COUNSELING SERVICE ON OUR CAMPUS. THIS IS ONE OF OUR BIGGEST ACCOMPLISHMENTS AS IT IS A SERVICE THAT WAS LARGELY NEEDED IN OUR COMMUNITY.

IN THE CLINIC SETTING, PROVIDERS AND NURSING STAFF FOCUSED ON OUR PHQ 9 SCORES AND IDENTIFYING PATIENTS WITH DEPRESSION. WE INCREASED OUR PERCENTAGE OF COMPLETION TO 95%. WE ALSO PUT A LARGE FOCUS ON PATIENTS BEING PRESCRIBED OPIOIDS AS THERE TENDS TO BE A DIRECT CORRELATION WITH MENTAL HEALTH. NEW POLICIES AND PROCEDURES WERE PUT INTO PLACE TO DECREASE PATIENTS ON SUCH MEDICATIONS.

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.

COMMUNITY MEMORIAL HOSPITAL, INC:

PART V, SECTION B, LINE 13H: PATIENTS WHOSE FAMILY INCOME EXCEEDS 150% OF THE FPL MAY BE ELIGIBLE TO RECEIVE DISCOUNTED RATES ON A CASE-BY-CASE BASIS BASED ON THEIR SPECIFIC CIRCUMSTANCES, SUCH AS CATASTROPHIC ILLNESS OR MEDICAL INDIGENCE; HOWEVER, THE DISCOUNTED RATES SHALL NOT BE GREATER THAN THE AMOUNTS GENERALLY BILLED COMMERCIALY INSURED PATIENTS. A DETERMINATION BASED ON PRESUMPTIVE ELIGIBILITY MAY BE MADE IF ALL OTHER AVENUES HAVE BEEN EXHAUSTED.

COMMUNITY MEMORIAL HOSPITAL, INC:

PART V, SECTION B, LINE 15E: THE HOSPITAL PHONE NUMBER IS LISTED ON THE APPLICATION. THIS NUMBER DIRECTS THE PATIENT TO SOMEONE WHO CAN HELP WITH THE APPLICATION. IN THE HOSPITAL'S BUSINESS OFFICE THERE IS INFORMATION REGARDING OTHER ORGANIZATION OR GOVERNMENT AGENCIES TO HELP WITH OTHER ASSISTANCE. THE HOSPITAL OFFERS THE INFORMATION TO PATIENTS WHO MAY BENEFIT FROM IT.

COMMUNITY MEMORIAL HOSPITAL, INC:

PART V, SECTION B, LINE 16J: PART V, LINE 16A, 16B, & 16C: THE POLICY, PLAIN LANGUAGE SUMMARY AND APPLICATION ARE POSTED TO THE WEBSITE AT [HTTPS://WWW.BURKEHOSPITAL.COM/FINANCIAL-ASSISTANCE](https://www.burkehospital.com/financial-assistance).

PART V, LINE 16J:

FINANCIAL ASSISTANCE POLICY AND APPLICATION ARE AVAILABLE IN THE ER,

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.

CLINIC AND HOSPITAL ADMISSION OFFICE. A SIGN IS POSTED IN THE ADMISSIONS AREA TO INFORM PATIENTS THAT FINANCIAL ASSISTANCE IS AVAILABLE. THE HOSPITAL PROVIDES A COPY OR SUMMARY OF THE POLICY TO PATIENTS WHO MAY QUALIFY UNDER THE FINANCIAL ASSISTANCE POLICY. LESS THAN FIVE PERCENT OF THE POPULATION, AND FEWER THAN 1,000 INDIVIDUALS IN THE SERVICE AREA SPEAK A LANGUAGE OTHER THAN ENGLISH AS THEIR PRIMARY LANGUAGE. HOWEVER, A TRANSLATION SERVICE IS AVAILABLE IF NEEDED.

COMMUNITY MEMORIAL HOSPITAL, INC:

PART V, SECTION B, LINE 24: THE HOSPITAL FACILITY MAY HAVE CHARGED FAP ELIGIBLE INDIVIDUALS AN AMOUNT EQUAL TO GROSS CHARGES FOR SERVICES THAT ARE NOT COVERED UNDER THE FINANCIAL ASSISTANCE POLICY.

PART V, LINES 7 AND 10, CHNA AND IMPLEMENTATION STRATEGY FOR A PERIOD OF TIME, THE 2013 CHNA AND IMPLEMENTATION STRATEGY REPORTS WERE UNAVAILABLE ON THE FACILITY'S WEBSITE. PROMPTLY UPON DISCOVERY OF THIS OMISSION, THE HOSPITAL CORRECTED THE ERROR BY ENSURING THE CHNA AND IMPLEMENTATION STRATEGY REPORTS WERE AVAILABLE ON THE WEBSITE. THE FACILITY REVIEWED ITS RELEVANT PRACTICES AND PROCEDURES AND DETERMINED NO REVISIONS ARE NECESSARY TO PREVENT THIS TYPE OF ERROR FROM RECURRING. DURING THE PERIOD THAT THE 2013 CHNA WAS NOT ON THE WEBSITE, THE FACILITY MADE THE REPORT AVAILABLE UPON REQUEST. ADDITIONALLY, IT WAS AVAILABLE THROUGH ANOTHER WEBSITE THAT WAS LISTED ON FORM 990, SCHEDULE H, PART V, LINES 7 AND 10. BECAUSE THE ERROR WAS MINOR AND INADVERTENT AND THE HOSPITAL FACILITY CORRECTED THE ERROR PROMPTLY UPON

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.

DISCOVERY IN ACCORDANCE WITH REG. 1.501(R)-2(B)(1)(II), THE ERROR WOULD NOT BE CONSIDERED A FAILURE TO MEET THE REQUIREMENTS OF IRC 501(R).

Multiple horizontal lines for providing supplemental information.

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? 0

Name and address	Type of Facility (describe)

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:

INDIVIDUALS WILL NOT BE DENIED CHARITY CARE BASED ON RACE, CREED, SEX, NATIONAL ORIGIN, DISABILITY, AGE OR ABILITY TO PAY. BUSINESS OFFICE STAFF TRY TO IDENTIFY ELIGIBLE INDIVIDUALS AT THE TIME OF ADMISSION, HOWEVER INDIVIDUALS CAN BECOME ELIGIBLE FOR CHARITY CARE AT ANY POINT DURING OR AFTER THEIR MEDICAL ENCOUNTER. ONCE AN INDIVIDUAL IS IDENTIFIED AS A POTENTIAL CHARITY CARE RECIPIENT, COMMUNITY MEMORIAL HOSPITAL UTILIZES BOTH AN INCOME AND AN ASSET TEST TO EVALUATE ELIGIBILITY FOR CHARITY CARE. THE HOSPITAL REVIEWS A SCHEDULE OF THE PATIENT'S CURRENT INCOME AND EXPENSES AND ASSET LEVELS TO DETERMINE IF THE PATIENT CAN REASONABLY BE EXPECTED TO MAKE PAYMENT OF MEDICAL EXPENSES. A DETERMINATION BASED ON PRESUMPTIVE ELIGIBILITY MAY BE MADE IF ALL OTHER AVENUES HAVE BEEN EXHAUSTED.

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 7E WAS OBTAINED UTILIZING THE ACTUAL GENERAL LEDGER SYSTEM. LINES 7B AND 7G WAS OBTAINED

Part VI Supplemental Information (Continuation)

FROM THE MEDICAID AND MEDICARE COST REPORTS, RESPECTIVELY.

RURAL HEALTH CLINIC NET REVENUES OF \$747,595 AND COSTS OF \$774,781 WERE INCLUDED ON LINE 7G FOR A NET COMMUNITY SHORTFALL OF \$27,186.

PART I, LN 7 COL(F):

THE AMOUNT OF BAD DEBT EXPENSE BASED ON CHARGES OF \$116,360 WAS SUBTRACTED FROM TOTAL OPERATING EXPENSE.

PART III, LINE 2:

BAD DEBT WRITE-OFFS ARE RECORDED USING GROSS CHARGES. IF AN ACCOUNT IS WRITTEN OFF TO BAD DEBTS, PAYMENTS RECEIVED AFTER THE WRITE OFF OF THE ACCOUNT ARE POSTED TO THE ALLOWANCE FOR BAD DEBT ACCOUNT. THE ALLOWANCE FOR BAD DEBT IS CALCULATED USING AN ESTIMATED UNCOLLECTIBLE PERCENTAGE OF ACCOUNTS RECEIVABLE. THE DIFFERENCE BETWEEN THE ESTIMATE AND THE AMOUNT RECORDED TO THE ALLOWANCE FOR BAD DEBT IS RECORDED TO BAD DEBT EXPENSE.

BAD DEBT EXPENSE REPORTED ON LINE 2 IS AT CHARGES AS REPORTED ON THE FINANCIAL STATEMENTS.

PART III, LINE 3:

BAD DEBT EXPENSE ATTRIBUTABLE TO CHARITY CARE IS ESTIMATED BASED AVERAGING THE COUNTY AND CITY US CENSUS BUREAU REPORTS OF INDIVIDUALS LIVING BELOW THE POVERTY LEVEL. 18.8% CAN REASONABLY BE CONSIDERED A COMMUNITY BENEFIT AS IT WOULD HAVE BEEN WRITTEN OFF TO CHARITY CARE.

PART III, LINE 4:

FOOTNOTE FROM FINANCIAL STATEMENT: PLEASE SEE NOTE 1, FINANCIAL STATEMENT,

Part VI Supplemental Information (Continuation)

PATIENT RECEIVABLES ON PAGES 7-8.

PART III, LINE 8:

MEDICARE ALLOWABLE COSTS OF CARE WAS CALCULATED FROM THE MEDICARE COST REPORT FOR FISCAL YEAR ENDING 12/31/2018. 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.

PART III, LINE 9B:

ONCE A DECISION HAS BEEN MADE GRANTING FINANCIAL ASSISTANCE AND THE PATIENT/GUARANTOR HAS BEEN NOTIFIED, CMH WILL NO LONGER ATTEMPT TO COLLECT THE DISCOUNTED AMOUNT. IF, DURING THE COLLECTION PROCESS, IT IS DETERMINED THAT SOMEONE MAY QUALIFY FOR FINANCIAL ASSISTANCE, THE COLLECTION PROCESS STOPS AND THE FINANCIAL ASSISTANCE APPLICATION PROCESS BEGINS. COLLECTION IS HALTED UNTIL THE FINANCIAL ASSISTANCE APPLICATION IS REVIEWED AND QUALIFICATION IS DETERMINED. APPROVED FINANCIAL ASSISTANCE REQUESTS WILL BE WRITTEN OFF WITHIN TEN DAYS FROM THE DATE APPROVED. THE DECISION TO WRITE OFF THE ACCOUNT IS PERMANENT.

PART VI, LINE 2:

COMMUNITY MEMORIAL HOSPITAL CONDUCTED A FORMAL COMMUNITY NEEDS ANALYSIS DURING 2016. IN ADDITION TO CONDUCTING THE NEEDS ASSESSMENT EVERY THREE YEARS, ADMINISTRATION MEETS WITH PROVIDERS AND CLINIC MANAGERS MONTHLY AND WITH THE MEDICAL STAFF GROUP BI-MONTHLY. DURING THESE MEETINGS, TOPICS FROM PATIENT INTERACTIONS ARE DISCUSSED TO IDENTIFY ANY COMMUNITY HEALTH NEEDS.

Part VI Supplemental Information (Continuation)

PART VI, LINE 3:

INDIVIDUALS ARE MADE AWARE OF FINANCIAL ASSISTANCE THROUGH POSTING OF THE POLICY AND APPLICATION IN THE ER, CLINIC, AND ADMISSIONS OFFICE. STAFF IN THE ADMISSIONS OFFICE PROVIDE INFORMATION TO INDIVIDUALS WHO MAY QUALIFY FOR MEDICARE, MEDICAID, OR OTHER FINANCIAL ASSISTANCE.

THE FINANCIAL ASSISTANCE POLICY AND APPLICATION ARE ALSO AVAILABLE ON THE FACILITY WEBSITE.

PART VI, LINE 4:

COMMUNITY MEMORIAL HOSPITAL SERVES SEVERAL COMMUNITIES IN SOUTH CENTRAL SOUTH DAKOTA AND NORTH CENTRAL NEBRASKA. WE SERVE A RURAL POPULATION THAT IS VERY HOMOGENEOUS IN COMPOSITION. THE AREAS SERVED ARE PRIMARILY FARMING/RANCHING AND RETIREMENT COMMUNITIES. WE HAVE A VERY LOW PERCENTAGE OF UNINSURED RESIDENTS IN OUR AREA. WE ARE LOCATED IN A FEDERAL HEALTH PROFESSIONAL SHORTAGE AREA. 63% OF THE ORGANIZATION'S REVENUE WAS FROM SERVING THE MEDICARE POPULATION, 9% WAS FROM THE MEDICAID POPULATION, 10% FROM BLUE CROSS AND OTHER COMMERCIAL PAYORS, AND 18% FROM SELF-PAY OR OTHER PAYORS.

PART VI, LINE 5:

THE GOVERNING BODY IS COMPRISED OF PERSONS WHO RESIDE IN THE ORGANIZATION'S SERVICE AREA WHO ARE NEITHER EMPLOYEES NOR CONTRACTORS OF THE ORGANIZATION. FAMILY MEMBERS OF FOUR MEMBERS OF THE GOVERNING BODY ARE EMPLOYED BY THE ORGANIZATION DUE TO THE SMALL POPULATION OF THE COMMUNITY. THE ORGANIZATION EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN ITS COMMUNITY. SURPLUS FUNDS, IF ANY, ARE REINVESTED FOR FACILITY AND EQUIPMENT UPGRADES, AND IMPROVING TECHNICAL

Part VI Supplemental Information (Continuation)

SKILLS OF EMPLOYEES.

COMMUNITY MEMORIAL HOSPITAL PROVIDES THE FOLLOWING TYPES OF COMMUNITY EDUCATION:

A HEALTH FAIR IS PROVIDED SEMI-ANNUALLY FOR THE COMMUNITY WITH MANY DIFFERENT ASPECTS OF HEALTH CARE REPRESENTED. BLOOD DRAWS, BLOOD PRESSURES, GLUCOSE TESTING, AND DIFFERENT SCREENING TESTS ARE JUST A FEW OF THE SERVICES OFFERED BY THE HEALTH FAIR. IN ADDITION, EDUCATION FOR ALL SCHOOL AGES IS PROVIDED DURING A WEEK OF ACTIVITIES AT THE HOSPITAL. ACTIVITIES INCLUDE: TOURS OF DIFFERENT DEPARTMENTS, HAND WASHING TECHNIQUES, POISON CONTROL EDUCATION, AND A TEDDY BEAR CLINIC WHICH ENTAILS A TRIP TO THE EMERGENCY DEPARTMENT WITH THE TEDDY BEAR BEING THE PATIENT AND THE STUDENT BEING THE PARENT DESCRIBING THE COMPLAINTS.

COMMUNITY MEMORIAL HOSPITAL ALSO PROVIDES CPR TRAINING TO BOTH THE STAFF AND COMMUNITY MEMBERS. DISASTER PREPAREDNESS TRAINING IS PROVIDED TO THE LOCAL FIRE DEPARTMENT. ADVANCED CARDIAC LIFE SUPPORT (ACLS) CLASSES AND TRAUMA NURSE CURRICULUM COURSES (TNCC) ARE PROVIDED TO STAFF AS WELL AS NURSES FROM SURROUNDING COMMUNITIES.

COMMUNITY MEMORIAL HOSPITAL SPONSORS DIFFERENT ACTIVITIES IN THE COMMUNITY AS WELL AS PARTICIPATES IN COMMUNITY PROJECTS, INCLUDING SCHOOL YEAR BOOK, AFTER PROM PARTY, PARADES AND OTHER COMMUNITY EVENTS. A GREAT DEAL OF PRIDE IS TAKEN IN THE COMMUNITY WITH THE COMMUNITY GIVING AS MUCH TO THE HOSPITAL AS THE HOSPITAL GIVES BACK TO THE COMMUNITY.

SCHEDULE L
(Form 990 or 990-EZ)

Transactions With Interested Persons

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, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.

Attach to Form 990 or Form 990-EZ.

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

Name of the organization

COMMUNITY MEMORIAL HOSPITAL, INC.

Employer identification number

46-0219795

Part I Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and 501(c)(29) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

Table with 4 columns: (a) Name of disqualified person, (b) Relationship between disqualified person and organization, (c) Description of transaction, (d) Corrected? (Yes/No)

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 \$
3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization \$

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

Table with 9 main columns: (a) Name of interested person, (b) Relationship with organization, (c) Purpose of loan, (d) Loan to or from the organization? (To/From), (e) Original principal amount, (f) Balance due, (g) In default? (Yes/No), (h) Approved by board or committee? (Yes/No), (i) Written agreement? (Yes/No)

Total \$

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

Table with 5 columns: (a) Name of interested person, (b) Relationship between interested person and the organization, (c) Amount of assistance, (d) Type of assistance, (e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
DEBRA LEIBEL	FAMILY MEMBER OF TO	120,262.	BASE WAGES		X
JOLENE VANMETRE	FAMILY MEMBER OF KA	20,803.	BASE WAGES		X
KIM SHEPPERD	FAMILY MEMBER OF AJ	57,351.	BASE WAGES		X
ANDREA STEFFEN	FAMILY MEMBER OF AJ	42,783.	BASE WAGES		X
AMY JURACEK	FAMILY MEMBER OF KA	112,115.	BASE WAGES		X
AMANDA STEFFEN	FAMILY MEMBER OF AJ	25,490.	BASE WAGES		X

Part V Supplemental Information.

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

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: DEBRA LEIBEL

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

FAMILY MEMBER OF TOM GLOVER, BOARD CHAIRMAN

(C) AMOUNT OF TRANSACTION \$ 120,262.

(D) DESCRIPTION OF TRANSACTION: BASE WAGES

(E) SHARING OF ORGANIZATION REVENUES? = NO

(A) NAME OF PERSON: JOLENE VANMETRE

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

FAMILY MEMBER OF KAREN MARTIN, BOARD SECRETARY

(C) AMOUNT OF TRANSACTION \$ 20,803.

(D) DESCRIPTION OF TRANSACTION: BASE WAGES

(E) SHARING OF ORGANIZATION REVENUES? = NO

(A) NAME OF PERSON: KIM SHEPPERD

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

FAMILY MEMBER OF AJ STEFFEN, BOARD DIRECTOR

(C) AMOUNT OF TRANSACTION \$ 57,351.

(D) DESCRIPTION OF TRANSACTION: BASE WAGES

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

(E) SHARING OF ORGANIZATION REVENUES? = NO

(A) NAME OF PERSON: ANDREA STEFFEN

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

FAMILY MEMBER OF AJ STEFFEN, BOARD DIRECTOR

(C) AMOUNT OF TRANSACTION \$ 42,783.

(D) DESCRIPTION OF TRANSACTION: BASE WAGES

(E) SHARING OF ORGANIZATION REVENUES? = NO

(A) NAME OF PERSON: AMY JURACEK

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

FAMILY MEMBER OF KATE WITT, BOARD DIRECTOR

(C) AMOUNT OF TRANSACTION \$ 112,115.

(D) DESCRIPTION OF TRANSACTION: BASE WAGES

(E) SHARING OF ORGANIZATION REVENUES? = NO

(A) NAME OF PERSON: AMANDA STEFFEN

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

FAMILY MEMBER OF AJ STEFFEN, BOARD DIRECTOR

(C) AMOUNT OF TRANSACTION \$ 25,490.

(D) DESCRIPTION OF TRANSACTION: BASE WAGES

(E) SHARING OF ORGANIZATION REVENUES? = NO

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

2018

Open to Public
Inspection

Name of the organization

COMMUNITY MEMORIAL HOSPITAL, INC.

Employer identification number

46-0219795

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

CLINIC, AND A SKIN CLINIC. FREE CHOLESTEROL SCREENINGS ARE OFFERED
TWICE PER YEAR. COMMUNITY MEMORIAL HOSPITAL TAKES GREAT PRIDE IN THE
CARE PROVIDED TO THE COMMUNITY IT SERVES.

COMMUNITY MEMORIAL HOSPITAL OPENED AN 18,000 SQUARE FOOT ADDITION TO
THE FACILITY IN OCTOBER OF 2018. THE NEW AREA HOUSES THE RURAL HEALTH
CLINIC, EMERGENCY DEPARTMENT, RADIOLOGY, LABORATORY AND RETAIL
PHARMACY. MENTAL HEALTH SERVICES ARE NOW AVAILABLE ON OUR CAMPUS.

FORM 990, PART VI, SECTION A, LINE 1:

THE EXECUTIVE COMMITTEE SHALL INCLUDE FIVE MEMBERS ALL OF WHOM SHALL BE
MEMBERS OF THE BOARD OF DIRECTORS, AND SHALL INCLUDE THE CHAIR, THE VICE
CHAIR, SECRETARY, AND THE ADMINISTRATOR. THE EXECUTIVE COMMITTEE SHALL HAVE
THE POWER TO TRANSACT ALL REGULAR BUSINESS OF THE CORPORATION DURING THE
INTERIM BETWEEN MEETINGS OF THE BOARD, PROVIDED THAT ANY ACTION TAKEN BY
THE EXECUTIVE COMMITTEE SHALL NOT CONFLICT WITH THE ARTICLES OF
INCORPORATION, THE BYLAWS OR THE POLICIES OR EXPRESSED WISHES OF THE BOARD.

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

COMMUNITY MEMORIAL HOSPITAL HAS ENTERED INTO A MANAGEMENT AGREEMENT WITH
SANFORD HEALTH NETWORK TO PROVIDE MANAGEMENT SERVICES FOR THE FACILITY.
THE CEO OF COMMUNITY MEMORIAL HOSPITAL IS AN EMPLOYEE OF SANFORD HEALTH
NETWORK. COMPENSATION AND BENEFITS FOR MISTIE SACTJEN WERE \$107,204 AND
\$18,080 RESPECTIVELY. DUTIES OF THE CEO INCLUDE: SUPPORTING FACILITY
OPERATIONS AND ADMINISTRATION, RECOMMENDING BUDGETS AND MANAGING RESOURCES

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

Schedule O (Form 990 or 990-EZ) (2018)

Name of the organization COMMUNITY MEMORIAL HOSPITAL, INC.	Employer identification number 46-0219795
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ACCORDINGLY, AND OVERSEEING DESIGN AND DELIVERY OF QUALITY PROGRAMS, PRODUCTS, AND SERVICES.

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

COMMUNITY MEMORIAL HOSPITAL HAS ONE CLASS OF GENERAL MEMBERSHIP. THE GENERAL MEMBERSHIP INCLUDES ANY INDIVIDUAL, PARTNERSHIP, CORPORATION OR ASSOCIATION WHO HAS CONTRIBUTED TO THE COMMUNITY MEMORIAL HOSPITAL BUILDING FUND OR CLINIC FUND AND WHO RESIDES IN THE FOUR-COUNTY AREA OF GREGORY AND TRIPP COUNTIES OF SOUTH DAKOTA AND KEWA PAHA AND BOYD COUNTIES IN NEBRASKA. THESE MEMBERSHIPS SHALL BE FOR THE LIFE OF THE CONTRIBUTOR AND ARE NOT TRANSFERABLE. IN ADDITION, ANY PATIENT OF THE HOSPITAL WHO HAS PAID THE HOSPITAL BILL IN FULL UPON DISCHARGE OR SHORTLY THEREAFTER AND WHO RESIDES IN THE PREVIOUSLY MENTIONED FOUR-COUNTY AREA SHALL BE A MEMBER OF THIS CORPORATION FOR THREE YEARS FROM THE DATE OF SAID PAYMENT IN FULL. ALSO, ALL MEMBERS OF THE LADIES AUXILIARY TO THE COMMUNITY MEMORIAL HOSPITAL, INC., OF BURKE, SOUTH DAKOTA, SHALL BE MEMBERS WITH FULL VOTING RIGHTS. PRESENT EMPLOYEES SHALL NOT BE CONSIDERED ELIGIBLE TO SERVE ON THE BOARD OF DIRECTORS.

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

GOVERNING BOARD MEMBERS ARE ELECTED BY THE MEMBERSHIP.

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

APPROVAL BY THE MEMBERS OF THE ORGANIZATION IS REQUIRED TO:

ESTABLISH MISSION STATEMENT

APPROVE THE SALE OF REAL PROPERTY

ELECT OR REMOVE THE BOARD OF DIRECTORS

Name of the organization

COMMUNITY MEMORIAL HOSPITAL, INC.

Employer identification number

46-0219795

APPROVE AMENDMENTS TO THE ARTICLES OF INCORPORATION

REVIEW THE ANNUAL REPORT AND FINANCIAL AUDIT

ESTABLISH SERVICES TO MEET THE NEEDS OF THE COMMUNITY

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

THE EXECUTIVE COMMITTEE DID NOT MEET IN 2018.

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

THE CEO DOES A DETAILED REVIEW OF THE FORM 990. TWO BOARD MEMBERS ALSO PERFORM A DETAILED REVIEW OF THE 990. A COPY OF THE 990 IS DISTRIBUTED TO ALL BOARD MEMBERS PRIOR TO FILING OF THE FORM WITH THE IRS.

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

THE CONFLICT OF INTEREST DISCLOSURE IS REQUIRED TO BE COMPLETED BI-ANNUALLY AND RESPONSES ARE REVIEWED BY THE CEO. IF A CONFLICT IS DEEMED TO EXIST, THE MEMBER(S) INVOLVED IS REQUIRED TO ABSTAIN FROM DISCUSSION, DELIBERATION, AND VOTING ON THE MATTER CAUSING THE CONFLICT.

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

SANFORD HEALTH NETWORK REVIEWS AND DETERMINES THE CEO'S COMPENSATION ANNUALLY. COMPENSATION RANGES ARE DETERMINED USING STATE SALARY SURVEY RESULTS. THE PROCESS AND DECISION IS DOCUMENTED AND MAINTAINED INTERNALLY BY SANFORD'S VP OF ADMINISTRATION. THE BOARD OF DIRECTORS OF COMMUNITY MEMORIAL HOSPITAL, INC, APPROVES THE AMOUNT OF THE CEO'S COMPENSATION THROUGH THEIR ACCEPTANCE OF THE MANAGEMENT AGREEMENT.

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

FINANCIAL STATEMENTS ARE DISTRIBUTED AT THE ANNUAL MEMBERSHIP MEETING, AND

Name of the organization COMMUNITY MEMORIAL HOSPITAL, INC.	Employer identification number 46-0219795
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OTHER ITEMS ARE PROVIDED UPON REQUEST.

FORM 990, PART VII:

MISTIE SACTJEN (CEO) UNDER MANAGEMENT AGREEMENT WITH SANFORD HEALTH NETWORK ACTS AS BOTH THE TOP MANAGEMENT OFFICIAL AND THE TOP FINANCIAL OFFICIAL.

FORM 990, PART IX, LINE 11G, OTHER FEES:

CONTRACTED SERVICES :

PROGRAM SERVICE EXPENSES	821,033.
MANAGEMENT AND GENERAL EXPENSES	26,146.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	847,179.

PURCHASED SERVICES :

PROGRAM SERVICE EXPENSES	6,430.
MANAGEMENT AND GENERAL EXPENSES	68,534.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	74,964.

TOTAL OTHER FEES ON FORM 990, PART IX, LINE 11G, COL A 922,143.

Electronic Filing PDF Attachment



Financial Statements
December 31, 2018 and 2017
Community Memorial Hospital, Inc.

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Independent Auditor's Report

The Board of Directors
Community Memorial Hospital, Inc.
Burke, South Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of Community Memorial Hospital, which comprise the balance sheets as of December 31, 2018 and 2017, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 Community Memorial Hospital as of December 31, 2018 and 2017, 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Hospital has adopted the provisions of Financial Accounting Standards Board Accounting Standards Update No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Correction of Error

As discussed in Note 14 to the financial statements, a certain error was discovered resulting in the understatement of amounts previously reported for property and equipment and construction accounts payable as of December 31, 2017. Accordingly, amounts reported have been restated as of December 31, 2017 in the financial statements now presented, to correct the error. Our opinion is not modified with respect to that matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 25, 2019 on our consideration of Community Memorial Hospital's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Memorial Hospital's internal control over financial reporting and compliance.



Sioux Falls, South Dakota
March 25, 2019

	2018	(Restated) 2017
Assets		
Current Assets		
Cash and cash equivalents	\$ 3,092,865	\$ 2,491,287
Short-term investments - mutual funds	176,376	840,587
Receivables		
Patient, net of allowance for doubtful accounts of \$95,400 in 2018 and \$85,500 in 2017	541,258	436,851
Estimated third-party payor settlements	107,200	156,000
Promises to give, current portion	54,400	136,900
Other receivable	28,780	91,355
Notes receivable	217,500	-
Supplies	123,651	85,351
Prepaid expenses	35,083	41,523
Total current assets	<u>4,377,113</u>	<u>4,279,854</u>
Assets Limited as to Use		
Loan reserve fund	<u>235,670</u>	<u>234,195</u>
Property and Equipment, Net	<u>6,585,442</u>	<u>2,943,350</u>
Other Assets		
Cash and cash equivalents restricted by donors	5,148	6,542
Long-term investment	500,000	-
Promises to give, long-term portion	202,457	240,857
Beneficial interest in South Dakota Community Foundation	18,037	9,899
Total other assets	<u>725,642</u>	<u>257,298</u>
Total assets	<u>\$ 11,923,867</u>	<u>\$ 7,714,697</u>

See Notes to Financial Statements

Community Memorial Hospital, Inc.
Balance Sheets
December 31, 2018 and 2017

	<u>2018</u>	<u>(Restated) 2017</u>
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	\$ 127,816	\$ 215,522
Accounts payable		
Trade	119,856	162,382
Construction	326,829	465,870
Accrued expenses		
Salaries and wages	61,312	49,755
Vacation	187,340	205,082
Payroll taxes and other	23,300	26,736
Total current liabilities	<u>846,453</u>	<u>1,125,347</u>
Long-Term Debt, Less Current Maturities	<u>4,391,839</u>	<u>674,497</u>
Total liabilities	<u>5,238,292</u>	<u>1,799,844</u>
Net Assets		
Without donor restrictions	6,485,461	5,530,554
With donor restrictions	<u>200,114</u>	<u>384,299</u>
Total net assets	<u>6,685,575</u>	<u>5,914,853</u>
Total liabilities and net assets	<u>\$ 11,923,867</u>	<u>\$ 7,714,697</u>

Community Memorial Hospital, Inc.
Statements of Operations
Years Ended December 31, 2018 and 2017

	2018	2017
Revenues, Gains and Other Support Without Donor Restrictions		
Net patient service revenue	\$ 4,876,338	\$ 4,483,828
Provision for bad debts	(116,360)	(100,843)
Net patient service revenue		
less provision for bad debts	4,759,978	4,382,985
Other revenue	772,025	336,825
Net assets released from restrictions for operations	6,542	5,400
Total revenues, gains, and other support	5,538,545	4,725,210
Expenses		
Healthcare services	3,546,729	3,334,096
General and administrative	1,086,398	1,054,120
Depreciation	305,215	145,795
Interest	17,049	-
Total expenses	4,955,391	4,534,011
Operating Income	583,154	191,199
Other Income (Expense)		
Investment income	140,264	61,044
Contributions	77,627	115,360
Miscellaneous	(1,490)	500
Total other income, net	216,401	176,904
Revenues in Excess of Expenses	799,555	368,103
Change in Unrealized Gains and Losses on Investments	(115,428)	99,502
Contributions for Long-Lived Assets	37,008	297,100
Net Assets Released from Restrictions for Capital	233,772	593,287
Change in Net Assets Without Donor Restrictions	\$ 954,907	\$ 1,357,992

Community Memorial Hospital, Inc.
 Statements of Changes in Net Assets
 Years Ended December 31, 2018 and 2017

	2018	2017
Net Assets Without Donor Restrictions		
Revenues in excess of expenses	\$ 799,555	\$ 368,103
Change in unrealized gains and losses on investments	(115,428)	99,502
Contributions for long-lived assets	37,008	297,100
Net assets released from restrictions for capital	233,772	593,287
Change in net assets without donor restrictions	954,907	1,357,992
Net Assets With Donor Restrictions		
Contributions and grants for specific purposes	56,129	35,269
Net assets released from restrictions	(240,314)	(598,687)
Change in net assets with donor restrictions	(184,185)	(563,418)
Change in Net Assets	770,722	794,574
Net Assets, Beginning of Year	5,914,853	5,120,279
Net Assets, End of Year	\$ 6,685,575	\$ 5,914,853

Community Memorial Hospital, Inc.
Statements of Cash Flows
Years Ended December 31, 2018 and 2017

	2018	2017
Operating Activities		
Change in net assets	\$ 770,722	\$ 794,574
Adjustments to reconcile change in net assets to net cash from operating activities		
Change in discount on promise to give	-	(7,467)
Depreciation & Amortization	305,215	145,795
Loss on disposal of equipment	1,454	-
Provision for bad debts	116,360	100,843
Change in unrealized gains and losses on investments	23,249	(99,502)
Non-cash contribution of equipment	-	(297,100)
Contributions and grants restricted by donors	(96,029)	(28,727)
Changes in assets and liabilities		
Receivables	(109,392)	(134,217)
Supplies	(38,300)	583
Prepaid expenses	6,440	(216)
Accounts payable	(42,526)	9,888
Accrued expenses	(9,621)	20,699
Net Cash from Operating Activities	927,572	505,153
Investing Activities		
Purchase of property and equipment	(4,087,802)	(1,610,924)
Increase in beneficial interest in South Dakota Community Foundation	(8,138)	(757)
Purchase of investments	(634,038)	(164,315)
Proceeds from sale of investments	775,000	-
Advance on notes receivable	(217,500)	-
Increase in cash and cash equivalents in assets limited as to use	(1,475)	(234,195)
Decrease in donor restricted cash and cash equivalents	1,394	423,885
Net Cash used for Investing Activities	(4,172,559)	(1,586,306)
Financing Activities		
Advance of long-term debt	3,797,290	965,906
Repayment of long-term debt	(167,654)	(75,887)
Contributions and grants restricted by donors	96,029	28,727
Promises to give	120,900	147,000
Net Cash from Financing Activities	3,846,565	1,065,746
Net Change in Cash and Cash Equivalents	601,578	(15,407)
Cash and Cash Equivalents, Beginning of Year	2,491,287	2,506,694
Cash and Cash Equivalents, End of Year	\$ 3,092,865	\$ 2,491,287
Supplemental Schedule of Noncash Investing and Financing Activities		(Restated)
Accounts payable for construction	\$ 326,829	\$ 465,870
Property and equipment acquired through noncash contributions	-	297,100
Cash paid during the year for interest, net of amount capitalized of \$51,100 in 2018 and \$0 in 2017	17,049	-

Note 1 - Organization and Significant Accounting Policies

Organization

Community Memorial Hospital, Inc. (Hospital) is a 16-bed acute care hospital and medical clinic located in Burke, South Dakota and a medical clinic located in Bonesteel, South Dakota. The Hospital is organized as a South Dakota nonprofit corporation and is exempt from federal income tax.

Management services are provided to the Hospital by Sanford Regional Health Network under a management services agreement (Note 13).

Income Taxes

The Hospital is organized as a South Dakota nonprofit corporation and has been recognized by the Internal Revenue Service as exempt from federal income taxes under Internal Revenue Service 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 Organization has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) 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, and which are neither held for nor restricted by donors for long-term purposes. Cash and highly liquid investments restricted to the building project are excluded from this definition.

Patient Receivables

Patient receivables are uncollateralized customer and third-party payor obligations. Unpaid patient receivables, excluding amounts due from third-party payors, with invoice dates over 90 days old have interest assessed at 0.75% per month. Interest income is recognized at the time it is charged to the account. Payments of patient receivables are allocated to the specific claims identified on the remittance advice or, if unspecified, are applied to the earliest unpaid claim.

Patient accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

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

The Hospital's process for calculating the allowance for doubtful accounts for self-pay patients has not significantly changed from December 31, 2017. The Hospital does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant write offs from third-party payors. The Hospital has not significantly changed its charity care or uninsured discount policies during fiscal years 2018 or 2017.

Promises to Give

The Hospital records unconditional promises to give expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of operations. The Hospital determined an allowance for uncollectable promises to give is not needed at December 31, 2018 and 2017. Promises to give are written off when deemed uncollectable.

Notes Receivable

In March 2018, the Hospital granted Burke Community Pharmacy (Pharmacy) a \$250,000 line of credit promissory note at 5% interest accrued monthly. There is \$217,500 and \$0 outstanding on the notes receivable at December 31, 2018 and 2017, respectively. The note is secured by assets of the Pharmacy. The principal and interest due on March 31, 2023, but the Hospital can call the note upon thirty days written notice.

Supplies

Supplies are stated at lower of cost (first-in, first-out) or net realizable value.

Investment and Interest 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 the performance indicator unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from the performance indicator unless the investments are trading securities.

Fair Value Measurements

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

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

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

Assets Limited as to Use

Assets limited as to use include a debt service reserve fund required under the loan agreement and consist of cash and cash equivalents.

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 on the straight-line method. The estimated useful lives of property and equipment are as follows:

Land improvements	3-15 years
Buildings and improvements	5-30 years
Equipment	5-20 years

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

Net Assets with Donor Restrictions

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Some donor-imposed 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-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Performance Indicator

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

Net Patient Service Revenue

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

The Hospital recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered, as noted above. For uninsured patients that do not qualify for charity care, the Hospital recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a significant provision for bad debts related to uninsured patients in the period the services are provided. Net patient service revenue, but before the provision for bad debts, recognized for the years ended December 31, 2018 and 2017 from these major payor sources, is as follows:

	2018	2017
Net patient service revenue		
Third-party payors	\$ 4,724,549	\$ 4,367,763
Uninsured	151,789	116,065
Total all payors	\$ 4,876,338	\$ 4,483,828

Charity Care

The Hospital provides health care services to patients who meet certain criteria under its Charity Care Policy without charge or at amounts less than its established rates. Since the Hospital does not pursue collection of these amounts, they are not reported as patient service revenue. The estimated cost of providing these services was \$18,000 and \$13,000 for the years ended December 31, 2018 and 2017, calculated by multiplying the ratio of cost to gross charges for the Hospital by the gross uncompensated charges associated with providing charity care to its patients.

Donor-Restricted Gifts

The Hospital reports contributions restricted by donors as increases in net assets without restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of changes in net assets as net assets released from restrictions.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Advertising Costs

The Hospital expenses advertising costs as incurred.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash, money market accounts and investments with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Hospital has not experienced losses in any of these accounts. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management believes that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in Note 12, which presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements 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, interest and other occupancy costs, are allocated to a function based on a square-footage or units-of-service basis.

Change in Accounting Policy

As of January 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). The ASU introduces new disclosure requirements 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 statements 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 adopted this standard as management believes the standard improves the usefulness and understandability of the Hospital's financial reporting

Reclassifications

Reclassifications have been made to the December 31, 2017 financial information to make it conform to the current year presentation. The reclassifications had no effect on previously reported operating results or changes in net assets.

Subsequent events

Subsequent events have been evaluated through March 25, 2019, the date 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:

	2018	2017
Cash and cash equivalents	\$ 3,092,865	\$ 2,491,287
Accounts receivable, net	570,038	684,206
Short-term investments - mutual funds	176,376	840,587
Notes receivable	217,500	-
	\$ 4,056,779	\$ 4,016,080

As part of the Hospital's liquidity management plan, cash in excess of daily requirements are invested in short-term investments and money market funds. The Board could elect to designate a portion of operating surplus that may be drawn upon to meet unexpected liquidity needs.

The Hospital currently has a three-year annuity in the amount of \$500,000 which is not available for general expenditure within the next three years; however, these assets could be made available, incurring a nominal penalty, if necessary for potential liquidity needs.

Note 3 - Net Patient Service Revenue

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

Medicare: The Hospital is licensed as a Critical Access Hospital (CAH). The Hospital is reimbursed for most acute care services under a cost reimbursement methodology 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 December 31, 2016.

Medicare – Clinic: The Burke clinic is designated as a Certified Provider Based Rural Health Clinic by the Medicare program. As a result, clinical services rendered to Medicare program beneficiaries are reimbursed at cost based on a tentative rate with final settlement determined after submission of the Hospital's annual cost reports and audits thereof by the Medicare fiscal intermediary.

Medicaid: Inpatient acute care services rendered to Medicaid program beneficiaries are paid on a percentage of charges basis. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under a percentage of charges or fee schedule methodology. Clinical services are paid on a fixed fee schedule for rural health clinic services.

Blue Cross: Services rendered to Blue Cross subscribers are reimbursed under a prospectively determined percentage of charges methodology.

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

A summary of patient service revenue and contractual adjustments for the years ended December 31, 2018 and 2017 is as follows:

	2018	2017
Total patient service revenue	\$ 6,224,206	\$ 5,635,233
Contractual adjustments		
Medicare	(904,935)	(766,063)
Medicaid	(174,442)	(159,689)
Other	(268,491)	(225,653)
Total contractual adjustments	(1,347,868)	(1,151,405)
Net patient service revenue	\$ 4,876,338	\$ 4,483,828

Concentration of gross revenues by major payor accounted for the following percentages of the Hospital's patient service revenues for the years ended December 31, 2018 and 2017:

	2018	2017
Medicare	63%	64%
Medicaid	9%	9%
Blue Cross and other commercial payors	10%	12%
Self-pay and other	18%	15%
	100%	100%

Laws and regulations governing the Medicare, Medicaid, and other programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Note 4 - Promises to Give

Promises to give are unconditional promises to give that the Hospital has received from corporations and individuals in the community. Certain promises are receivable over a period of time. The following is a summary of contributions receivable:

	2018	2017
Within one year	\$ 54,400	\$ 136,900
In one to five years	189,000	152,900
Over five years	25,500	100,000
	268,900	389,800
Less 5% discount to net present value	(12,043)	(12,043)
Promises to give, net	\$ 256,857	\$ 377,757

At December 31, 2018 and 2017, two donors accounted for 84% and 83% of total promises to give. Related party promises to give as of December 31, 2018 and 2017 totaled 6% and 4%.

Note 5 - Investments

Investments include the following at December 31, 2018 and 2017:

	2018	2017
Mutual Funds		
Growth	\$ 74,616	\$ 377,551
Growth and Income	47,446	229,982
Balanced	54,314	233,054
Total mutual funds	176,376	840,587
Annuity - 2.75% guaranteed for 3 years, floor of .5% in subsequent years, (at contract value)	500,000	-
	\$ 676,376	\$ 840,587

Note 6 - Fair Value of Assets

The following table presents assets measured at fair value on a recurring basis at December 31, 2018 and 2017, respectively:

	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
<u>December 31, 2018</u>				
Short Term Investments				
Mutual funds	\$ 176,376	\$ 176,376	\$ -	\$ -
<u>December 31, 2017</u>				
Short Term Investments				
Mutual funds	\$ 840,587	\$ 840,587	\$ -	\$ -

The fair value of mutual funds is determined by reference to quoted market prices.

Note 7 - Property and Equipment

A summary of property and equipment at December 31, 2018 and 2017, follows:

	2018		(Restated) 2017	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	\$ 44,228	\$ -	\$ 44,228	\$ -
Land improvements	380,385	56,649	68,013	41,134
Buildings and improvements	5,360,807	209,835	1,463,165	1,385,775
Equipment	2,188,385	1,198,165	1,817,254	1,176,810
Construction in progress	76,286	-	2,154,409	-
	\$ 8,050,091	\$ 1,464,649	\$ 5,547,069	\$ 2,603,719
Net property and equipment		\$ 6,585,442		\$ 2,943,350

Construction in progress at December 31, 2018 and 2017 represents costs incurred for the super clinic building addition and remodeling of the existing building (See Note 13).

Note 8 - Long-Term Debt

Long-term debt consists of:

	2018	2017
United States Department of Agriculture note payable, 2.375% due in monthly installments of \$19,481 including interest, through July 2052, secured by real estate mortgage on the property	\$ 4,519,655	\$ 890,019
Less current maturities	(127,816)	(215,522)
	\$ 4,391,839	\$ 674,497

Long-term debt maturities are as follows:

<u>Years Ending December 31,</u>	
2019	\$ 127,816
2020	130,884
2021	134,027
2022	137,245
2023	140,540
Thereafter	<u>3,849,143</u>
	<u>\$ 4,519,655</u>

Under the terms of the promissory note agreement, the Hospital is required to maintain certain deposits. 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.

Note 9 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Grants for specific purposes and capital purchases	\$ 2,892	\$ 6,542
Capital campaign - super clinic and remodeling	<u>197,222</u>	<u>377,757</u>
	<u>\$ 200,114</u>	<u>\$ 384,299</u>

In 2018 and 2017, net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes in the amounts of \$240,314 and \$598,687. These amounts are included in net assets released from restrictions in the accompanying financial statements.

Note 10 - Pension Plan

The Hospital has a defined contribution pension plan under which employees become participants upon reaching age 21, completion of one year of service and work a minimum of 1,000 hours per year. Employer contributions of 3 percent for 2018 and 2017 of annual compensation were deposited with the plan trustee who invests the plan assets. Total pension expense for the years ended December 31, 2018 and 2017, was \$50,784 and \$51,167, respectively.

Note 11 - Concentration of Credit Risk

The Hospital grants credit without collateral to its patients, most of whom are insured under third-party payor agreements. The mix of receivables from third-party payors and patients at December 31, 2018 and 2017, was as follows:

	2018	2017
Medicare	25%	36%
Medicaid	16%	8%
Blue Cross	15%	10%
Commercial	13%	14%
Other third-party payor and patients	31%	32%
	100%	100%

Note 12 - Functional Expenses

The Hospital provides general health care services to patients within its geographic location. Expenses related to providing these services by functional class for the years ended December 31, 2018 and 2017 are as follows:

	Health Care Services		General and Administrative	2018 Total
	Hospital Services	Clinic Services		
Salaries and wages	\$ 1,385,403	\$ 421,446	\$ 394,593	\$ 2,201,442
Purchased services	553,053	285,952	228,123	1,067,128
Employee benefits	234,411	68,627	111,659	414,697
Medical supplies	239,015	243,428	1,463	483,906
Other direct expenses	16,218	15,256	99,412	130,886
Utilities	44,391	15,353	6,072	65,816
Non-medical supplies	20,475	3,701	48,464	72,640
Management fees and legal	-	-	196,612	196,612
	2,492,966	1,053,763	1,086,398	4,633,127
Depreciation	216,343	60,761	28,111	305,215
Interest expense	10,686	2,084	4,279	17,049
	\$ 2,719,995	\$ 1,116,608	\$ 1,118,788	\$ 4,955,391

	Health Care Services		General and Administrative	2017 Total
	Hospital Services	Clinic Services		
Salaries and wages	\$ 1,295,320	\$ 398,925	\$ 385,901	\$ 2,080,146
Purchased services	461,158	337,214	224,808	1,023,180
Employee benefits	245,342	77,343	129,152	451,837
Medical supplies	279,883	126,010	620	406,513
Other direct expenses	19,713	18,182	88,887	126,782
Utilities	39,898	14,310	3,318	57,526
Non-medical supplies	13,208	7,590	44,703	65,501
Management fees and legal	-	-	176,731	176,731
	<u>2,354,522</u>	<u>979,574</u>	<u>1,054,120</u>	<u>4,388,216</u>
Depreciation	<u>105,735</u>	<u>31,265.00</u>	<u>8,795</u>	<u>145,795</u>
	<u>\$ 2,460,257</u>	<u>\$ 1,010,839</u>	<u>\$ 1,062,915</u>	<u>\$ 4,534,011</u>

Note 13 - Contingencies and Commitments

Management Agreements

The Hospital has a management agreement with Winner Regional Healthcare Center and Sanford Regional Health Network (Sanford) to manage the Hospital and provide certain management advisory services and information system services. The agreement shall continue through July 31, 2022; however, either party may cancel this agreement without cause by providing 180 days written notice. Under the terms of the management agreements, the Hospital is to reimburse Sanford for the salary and benefits of the Hospital's Chief Executive Officer, who is an employee of Sanford, plus an annual base amount which totaled \$39,765 and \$38,833 for the years ended December 31, 2018 and 2017, respectively, for management services provided. The information system fees incurred totaled \$107,592 and \$104,458 for the years ended December 31, 2018 and 2017, respectively.

Architect Agreement

The Hospital has signed an agreement with an architect to perform services related to the super clinic building project in the amount of \$381,454. As of December 31, 2018, approximately \$17,000 of work remains to be completed on the contract.

Contractor Agreements

The Hospital has contracted with a construction manager for the construction of a new super clinic building at a pre-agreed gross maximum price of \$4,783,500, inclusion of change-orders that have been approved by the Board. Construction on the project commenced in 2017 and was substantially completed in October 2018. The uncompleted contract costs are \$27,753. Construction is being financed by a United State Department of Agriculture loan and donor restricted contributions.

Subsequent to December 31, 2018, the Hospital also signed an agreement with an additional contractor to perform remodeling on tenant space at the old clinic building at a price of \$161,000. Construction on this project commenced February of 2019 and will be paid with surplus cash.

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 an annual aggregate limit of \$5 million. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, will be uninsured.

Litigations, Claims, and Other Disputes

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 litigation, 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.

Note 14 - Correction of an error

A certain error was discovered resulting in the understatement of amounts previously reported for property and equipment and construction accounts payable as of December 31, 2017. Accordingly, amounts reported have been restated in the 2017 financial statements now presented.

The effect on the Hospital's balance sheet as of December 31, 2017 is as follows:

	As Previously Reported	Adjustment	As Restated
Property and equipment net	\$ 2,785,482	\$ 157,868	\$ 2,943,350
Total assets	7,556,829	157,868	7,714,697
Accounts payable - construction	308,002	157,868	465,870
Total current liabilities	967,479	157,868	1,125,347
Total liabilities	1,641,976	157,868	1,799,844
Total liabilities and net assets	7,556,829	157,868	7,714,697

The effect on the Hospital's statement of cash flows as of December 31, 2017 is as follows:

	As Previously Reported	Adjustment	As Restated
Accounts payable for construction	\$ 308,002	\$ 157,868	\$ 465,870

The effect on the Hospital's property and equipment note as of December 31, 2017 is as follows:

	<u>As Previously Reported</u>	<u>Adjustment</u>	<u>As Restated</u>
Construction in progress	\$ 1,996,541	\$ 157,868	\$ 2,154,409
Total cost	5,389,201	157,868	5,547,069
Net property and equipment	2,785,482	157,868	2,943,350



Supplementary Information
December 31, 2018 and 2017

Community Memorial Hospital, Inc.



Independent Auditor's Report on Supplementary Information

The Board of Directors
Community Memorial Hospital, Inc.
Burke, South Dakota

We have audited the financial statements of Community Memorial Hospital, Inc. as of and for the years ended December 31, 2018 and 2017, and our report thereon dated March 25, 2019, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The Schedules of Net Patient Service Revenue, and Other Revenue on pages 23 and 24 are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Statistical Information on page 25, which is the responsibility of management, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Sioux Falls, South Dakota
March 25, 2019

Community Memorial Hospital, Inc.
Schedules of Net Patient Service Revenue
Years Ended December 31, 2018 and 2017

	2018	2017
Patient Service Revenue		
Routine services	\$ 530,588	\$ 503,943
Observation	154,648	169,196
Swingbed	678,048	643,514
Laboratory	931,665	784,524
Medical clinics	977,564	914,989
Radiology	1,125,320	959,913
Pharmacy	637,397	637,558
Emergency room	357,376	336,307
Cardiac rehab	194,172	170,173
Physical therapy	213,873	171,861
Medical supplies	281,615	273,458
EKG	64,468	54,261
Homemaker services	11,652	13,326
Occupational therapy	88,437	17,538
Speech therapy	3,895	2,077
Charity care	(26,512)	(17,405)
	<u>\$ 6,224,206</u>	<u>\$ 5,635,233</u>
 Total Patient Service Revenue		
Inpatients	\$ 1,005,107	\$ 983,102
Outpatients	3,329,110	2,872,758
Swingbed	938,937	881,789
Burke Medical Clinic	977,564	914,989
Charity care	(26,512)	(17,405)
	<u>6,224,206</u>	<u>5,635,233</u>
 Deductions from Patient Service Revenue		
Contractual adjustments:		
Medicare	(904,935)	(766,063)
Medicaid	(174,442)	(159,689)
Other	(268,491)	(225,653)
	<u>(1,347,868)</u>	<u>(1,151,405)</u>
 Total contractual adjustments		
	<u>\$ 4,876,338</u>	<u>\$ 4,483,828</u>
 Net Patient Service Revenue		
	<u>\$ 4,876,338</u>	<u>\$ 4,483,828</u>

Community Memorial Hospital, Inc.
Schedules of Other Revenue
Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Other Revenue		
Pharmacy	\$ 54,494	\$ 55,352
Pharmacy 340B program	578,632	146,000
Rental	63,600	63,600
Dietary	5,322	5,946
Grants	11,193	17,458
Settlements and insurance proceeds	4,634	2,558
Miscellaneous	54,150	45,911
	<u>\$ 772,025</u>	<u>\$ 336,825</u>

Community Memorial Hospital, Inc.
Statistical Information - Unaudited
Years Ended December 31, 2018, 2017 and 2016

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Number of Admissions (Excluding Swingbed)	117	125	132
Patient Days (Excluding Swingbed)	303	331	341
Swingbed Days	985	958	1,042
Number of Beds	16	16	16
Percent of Occupancy	22.1%	22.1%	23.6%
Year-End Routine Service Rates			
Private-rooms	\$ 1,558	\$ 1,484	\$ 1,484
Semi-private rooms	1,558	1,484	1,484