

Public Disclosure Copy

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Form **990**
(Rev. January 2020)
Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

OMB No. 1545-0047

2019

Open to Public Inspection

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.

A For the 2019 calendar year, or tax year beginning JUL 1, 2019 and ending JUN 30, 2020

B Check if applicable:

Address change
Name change
Initial return
Final return/terminated
Amended return
Application pending

C Name of organization

MADISON COMMUNITY HOSPITAL

Doing business as MADISON REGIONAL HEALTH SYSTEM

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

323 S.W. 10TH ST.

Room/suite

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

MADISON, SD 57042

F Name and address of principal officer: TAMARA MILLER

SAME AS C ABOVE

D Employer identification number

46-0228038

E Telephone number

605-256-6551

G Gross receipts \$ 30,751,610.

H(a) Is this a group return

for subordinates? ☐ Yes ☒ No

H(b) Are all subordinates included? Yes No

If "No," attach a list. (see instructions)

H(c) Group exemption number

I Tax-exempt status: ☒ 501(c)(3) 501(c) () (insert no.) 4947(a)(1) or 527

J Website: WWW.MADISONREGIONALHEALTH.ORG

K Form of organization: ☒ Corporation Trust Association Other

L Year of formation: 1955 M State of legal domicile: SD

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities:	PROVIDE HEALTH CARE SERVICES TO AREA RESIDENTS.	
	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	11
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	11
	5	Total number of individuals employed in calendar year 2019 (Part V, line 2a)	5	341
	6	Total number of volunteers (estimate if necessary)	6	50
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
7b	Net unrelated business taxable income from Form 990-T, line 39	7b	0.	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	51,044.	153,276.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	30,121,365.	30,168,650.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	165,668.	258,654.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	147,242.	144,755.
	12		30,485,319.	30,725,335.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	15,563,854.	16,721,319.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b	Total fundraising expenses (Part IX, column (D), line 25)	0.	
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	13,921,691.	14,263,469.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	29,485,545.	30,984,788.
19	Revenue less expenses. Subtract line 18 from line 12	999,774.	-259,453.	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26)	49,467,370.	58,899,676.
	22	Net assets or fund balances. Subtract line 21 from line 20	32,318,598.	42,010,357.
22		17,148,772.	16,889,319.	

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			
	TAMARA MILLER, CEO Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name LAURIE HANSON, CPA	Preparer's signature LAURIE HANSON, CPA	Date 03/29/21	Check if self-employed <input type="checkbox"/>	PTIN P00851848
	Firm's name EIDE BAILLY LLP	Firm's EIN 45-0250958	Firm's address 200 E. 10TH ST., STE. 500 SIOUX FALLS, SD 57104-6375	Phone no. 605-339-1999	

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

Form 990 (2019)

MADISON COMMUNITY HOSPITAL

46-0228038

Page **2****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:

**MADISON COMMUNITY HOSPITAL, D/B/A MADISON REGIONAL HEALTH SYSTEM
SERVES AS A COMMUNITY HEALTH FOCAL POINT THROUGH THE PROVISION AND
MAINTENANCE OF A PROGRESSIVE, EFFICIENT, AND WELL MANAGED HEALTHCARE
INSTITUTION, COMMITTED TO QUALITY MEDICAL PRACTICE, AND HIGH ETHICAL**

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

If "Yes," describe these new services on Schedule O.

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

If "Yes," describe these changes on Schedule O.

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

Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ **25,939,447.** including grants of \$) (Revenue \$ **30,168,650.**)

**MADISON REGIONAL HEALTH SYSTEM (HOSPITAL) IS A 22-BED ACUTE CARE
HOSPITAL LOCATED IN MADISON, SOUTH DAKOTA. FOR THE YEAR ENDED JUNE 30,
2020: ACUTE PATIENT DAYS =1,199; NEWBORN DAYS = 116; SKILLED DAYS
=2,058; AND INTERMEDIATE DAYS =29.**

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)**4c** (Code:) (Expenses \$ including grants of \$) (Revenue \$)**4d** Other program services (Describe on Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses **25,939,447.**Form **990** (2019)

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 donor-restricted endowments or in 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>	22	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>	23	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>	24a	X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a	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>	25b	X
26 Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part II</i>	26	X
27 Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27	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, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i>	28a	X
b A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV</i>	28b	X
c A 35% controlled entity of one or more individuals and/or organizations described in lines 28a or 28b? <i>If "Yes," complete Schedule L, Part IV</i>	28c	X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	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>	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31	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>	32	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>	33	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>	34	X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	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>	35b	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36	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>	37	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	38	X

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

	Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	11
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	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	341
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	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?	3a	X
b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O	3b	
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	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?	5a	X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a	X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7 Organizations that may receive deductible contributions under section 170(c).		
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	X
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	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?	7e	X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	X
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8	
9 Sponsoring organizations maintaining donor advised funds.		
a Did the sponsoring organization make any taxable distributions under section 4966?	9a	
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b	
10 Section 501(c)(7) organizations. Enter:		
a Initiation fees and capital contributions included on Part VIII, line 12	10a	
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11 Section 501(c)(12) organizations. Enter:		
a Gross income from members or shareholders	11a	
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13 Section 501(c)(29) qualified nonprofit health insurance issuers.		
a Is the organization licensed to issue qualified health plans in more than one state?	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 on 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 on 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

	1a	1b	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year	11			
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.				
b Enter the number of voting members included on line 1a, above, who are independent		11		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?				X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?				X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?				X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?				X
6 Did the organization have members or stockholders?				X
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?				X
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?				X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a The governing body?			X	
b Each committee with authority to act on behalf of the governing body?			X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O				X

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

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

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 on Schedule O)

19 Describe on 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 **TAMARA MILLER - 605-256-6551**
323 S.W. 10TH ST., MADISON, SD 57042

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck 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.
- See instructions for the order in which to list the persons above.

☐ 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) ROBERT SUMMERER SURGEON	40.00				X			491,559.	0.	33,813.
(2) LAURA HOEFERT MD OF FAMILY MEDICINE	40.00				X			474,345.	0.	27,454.
(3) BENJAMIN LISCANO MD OF FAMILY MEDICINE	40.00				X			442,844.	0.	34,151.
(4) JUSTIN CLEM MD OF FAMILY MEDICINE	40.00				X			390,548.	0.	35,344.
(5) MITCHELL POPPENS PHYSICIAN ASSISTANT	40.00				X			321,033.	0.	29,651.
(6) TAMARA MILLER CEO	40.00			X				274,577.	0.	26,222.
(7) TERESA MALLETT CFO	40.00			X				119,203.	0.	20,694.
(8) LAURA JOHNSON PRESIDENT	0.50	X		X				0.	0.	0.
(9) ROBERT VAN LIERE VICE PRESIDENT	0.50	X		X				0.	0.	0.
(10) ABBY OFTEDAL SECRETARY	0.50	X		X				0.	0.	0.
(11) CHRIS LEMAIR TREASURER	0.50	X		X				0.	0.	0.
(12) DAN BROWN TRUSTEE	0.50	X						0.	0.	0.
(13) ROBIN SCHWEBACH TRUSTEE	0.50	X						0.	0.	0.
(14) LOIS NIEDERT TRUSTEE	0.50	X						0.	0.	0.
(15) LORI HANSEN TRUSTEE	0.50	X						0.	0.	0.
(16) DAN TALLEY TRUSTEE	0.50	X						0.	0.	0.
(17) BRAD WILKENS TRUSTEE	0.50	X						0.	0.	0.

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			
(18) BETTY VANDERWERFF TRUSTEE FROM 12/2019	0.50	X						0.	0.	0.
(19) STEVEN SERSHEN TRUSTEE UNTIL 09/2019	0.50	X						0.	0.	0.
1b Subtotal								2,514,109.	0.	207,329.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								2,514,109.	0.	207,329.

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

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- 3** Did the organization list any **former** officer, director, trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*
- 4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? *If "Yes," complete Schedule J for such individual*
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*

	Yes	No
3		X
4	X	
5		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
AVERA RADIOLOGY GROUP P.O. BOX 86370, SIOUX FALLS, SD 57118	RADIOLOGIST PROFESSIONAL FEES	349,526.
AGILITI HEALTH, INC. P.O. BOX 851313, MINNEAPOLIS, MN 55485	BIO-MED SERVICES	298,182.
SANFORD LABORATORIES PO BOX 5056, SIOUX FALLS, SD 57117	LABORATORIES SERVICES	260,124.
AVERA ECARE, 3900 WEST AVERA DRIVE, SIOUX FALLS, SD 57108	ESERVICES	181,156.
SANFORD HEALTH NETWORK P.O. BOX 5074, SIOUX FALLS, SD 57117	OUTREACH SERVICES	169,174.

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

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Part VIII Statement of RevenueCheck 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					
	d Related organizations	1d					
	e Government grants (contributions)	1e	65,786.				
	f All other contributions, gifts, grants, and similar amounts not included above ...	1f	87,490.				
	g Noncash contributions included in lines 1a-1f	1g	\$				
	h Total. Add lines 1a-1f			153,276.			
Program Service Revenue			Business Code				
	2 a PATIENT SERVICE REVENUE	624210	28,802,086.	28,802,086.			
	b PHARMACY REVENUE	621110	1,078,602.	1,078,602.			
	c MEALS	621110	191,953.	191,953.			
	d						
	e						
	f All other program service revenue	621110	96,009.	96,009.			
	g Total. Add lines 2a-2f			30,168,650.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			284,929.			284,929.
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	6a	(i) Real	(ii) Personal			
			144,755.				
			b Less: rental expenses ...	6b			
	c Rental income or (loss)	6c	144,755.				
	d Net rental income or (loss)			144,755.			144,755.
	7 a Gross amount from sales of assets other than inventory	7a	(i) Securities	(ii) Other			
			b Less: cost or other basis and sales expenses	7b			
	c Gain or (loss)	7c	-26,275.				
	d Net gain or (loss)			-26,275.			-26,275.
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	8a					
b Less: direct expenses			8b				
c Net income or (loss) from fundraising events							
9 a Gross income from gaming activities. See Part IV, line 19	9a						
		b Less: direct expenses	9b				
		c Net income or (loss) from gaming activities					
10 a Gross sales of inventory, less returns and allowances	10a						
		b Less: cost of goods sold	10b				
		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			30,725,335.	30,168,650.	0.	403,409.	

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Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	455,738.		455,738.	
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	13,780,163.	11,871,023.	1,909,140.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	591,648.	512,150.	79,498.	
9 Other employee benefits	807,602.	613,500.	194,102.	
10 Payroll taxes	1,086,168.	908,133.	178,035.	
11 Fees for services (nonemployees):				
a Management				
b Legal				
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.)	1,324,942.	494,372.	830,570.	
12 Advertising and promotion	102,737.		102,737.	
13 Office expenses	1,180,884.	905,966.	274,918.	
14 Information technology				
15 Royalties				
16 Occupancy	453,041.	347,291.	105,750.	
17 Travel	28,580.	28,580.		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	77,106.	57,895.	19,211.	
20 Interest	1,076,930.	931,748.	145,182.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	3,316,679.	2,883,272.	433,407.	
23 Insurance	229,171.		229,171.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a MEDICAL SUPPLIES	3,946,825.	3,946,825.		
b BAD DEBT EXPENSES	1,616,147.	1,616,147.		
c OUTREACH	705,362.	705,362.		
d ALL OTHER EXPENSES	164,887.	77,005.	87,882.	
e All other expenses	40,178.	40,178.		
25 Total functional expenses. Add lines 1 through 24e	30,984,788.	25,939,447.	5,045,341.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here ☐ if following SOP 98-2 (ASC 958-720)

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

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing		1	
	2 Savings and temporary cash investments	8,588,661.	2	21,578,146.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	5,434,456.	4	4,495,096.
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net	79,960.	7	25,602.
	8 Inventories for sale or use	463,125.	8	523,174.
	9 Prepaid expenses and deferred charges	235,128.	9	254,078.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 43,594,855.		
	b Less: accumulated depreciation	10b 17,144,143.		
	11 Investments - publicly traded securities	29,237,621.	10c	26,450,712.
	12 Investments - other securities. See Part IV, line 11	5,131,251.	11	5,280,672.
	13 Investments - program-related. See Part IV, line 11	297,168.	13	292,196.
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11		15	
16 Total assets. Add lines 1 through 15 (must equal line 33)	49,467,370.	16	58,899,676.	
Liabilities	17 Accounts payable and accrued expenses	2,086,732.	17	2,663,537.
	18 Grants payable		18	
	19 Deferred revenue		19	4,291,471.
	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 any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties	29,270,866.	23	28,386,140.
	24 Unsecured notes and loans payable to unrelated third parties		24	2,499,000.
	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	961,000.	25	4,170,209.
	26 Total liabilities. Add lines 17 through 25	32,318,598.	26	42,010,357.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions	17,131,178.	27	16,840,827.
	28 Net assets with donor restrictions	17,594.	28	48,492.
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds		29	
	30 Paid-in or capital surplus, or land, building, or equipment fund		30	
	31 Retained earnings, endowment, accumulated income, or other funds		31	
	32 Total net assets or fund balances	17,148,772.	32	16,889,319.
	33 Total liabilities and net assets/fund balances	49,467,370.	33	58,899,676.

Part XI Reconciliation of Net AssetsCheck 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	30,725,335.
2	Total expenses (must equal Part IX, column (A), line 25)	2	30,984,788.
3	Revenue less expenses. Subtract line 2 from line 1	3	-259,453.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	17,148,772.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	16,889,319.

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII ☐

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2a	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	2b	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 on Schedule O.	2c	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? _____	3a	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 on Schedule O and describe any steps taken to undergo such audits _____	3b	

Form 990 (2019)

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) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(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) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(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 2019 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2018 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2019. 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 - 2018. 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 - 2019. 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 - 2018. 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) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(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) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(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						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

15 Public support percentage for 2019 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2018 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2019 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2018 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2019. 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 - 2018. 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?		
11a		
b A family member of a person described in (a) above?		
11b		
c A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI.</i>		
11c		

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (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?		
1		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
2		
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		
3		

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).			
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.			
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.			
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).			
2 Activities Test. Answer (a) and (b) below.			
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>			
2a			
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>			
2b			
3 Parent of Supported Organizations. Answer (a) and (b) below.			
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i>			
3a			
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>			
3b			

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

- 1** ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (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) 2019

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 2019 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-2019	(iii) Distributable Amount for 2019
1 Distributable amount for 2019 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2019 (reasonable cause required- explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2019			
a From 2014			
b From 2015			
c From 2016			
d From 2017			
e From 2018			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2019 distributable amount			
i Carryover from 2014 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2019 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2019 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2019, 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 2019. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI . See instructions.			
7 Excess distributions carryover to 2020. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2015			
b Excess from 2016			
c Excess from 2017			
d Excess from 2018			
e Excess from 2019			

Schedule A (Form 990 or 990-EZ) 2019

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

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

2019

Name of the organization

MADISON COMMUNITY HOSPITAL

Employer identification number

46-0228038

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, 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

Employer identification number

MADISON COMMUNITY HOSPITAL**46-0228038****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
<u>1</u>		\$ <u>14,500.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>2</u>		\$ <u>40,202.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Employer identification number

46-0228038

Part II

Schedule B (Form 990, 990-EZ, or 990-PF) (2019)

Name of organization	Employer identification number
MADISON COMMUNITY HOSPITAL	46-0228038

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

2019Open to Public
Inspection

Name of the organization

MADISON COMMUNITY HOSPITAL

Employer identification number

46-0228038

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 (for example, 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?

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)?

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 FASB 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 FASB 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 FASB ASC 958 relating to these items:

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

b Assets included in Form 990, Part X

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

Schedule D (Form 990) 2019

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 make significant use of its collection items (check all that apply):

a ☐ Public exhibition

d ☐ Loan or exchange program

b ☐ Scholarly research

e ☐ Other _____

c ☐ Preservation for future generations

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 Term endowment ☐ _____ %

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

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

(i) Unrelated organizations

(ii) Related organizations

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

	Yes	No
3a(i)		
3a(ii)		
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		523,611.		523,611.
b Buildings		25,552,005.	6,110,999.	19,441,006.
c Leasehold improvements				
d Equipment		14,143,970.	9,738,492.	4,405,478.
e Other		3,375,269.	1,294,652.	2,080,617.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				26,450,712.

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) ESTIMATED THIRD PARTY PAYOR	4,170,209.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	4,170,209.

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 FASB 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	29,104,565.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	-1,616,147.
e	Add lines 2a through 2d	2e	-1,616,147.
3	Subtract line 2e from line 1	3	30,720,712.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	4,623.
c	Add lines 4a and 4b	4c	4,623.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	30,725,335.

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	29,394,916.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	29,394,916.
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	1,589,872.
c	Add lines 4a and 4b	4c	1,589,872.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	30,984,788.

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 SYSTEM 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 SYSTEM 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. THE SYSTEM HAS DETERMINED THAT IT IS NOT SUBJECT TO UNRELATED BUSINESS INCOME TAX AND HAS NOT FILED AN EXEMPT SYSTEM BUSINESS INCOME TAX RETURN (FORM 990T) WITH THE IRS.

PART XI, LINE 2D - OTHER ADJUSTMENTS:

BAD DEBT EXPENSES

-1,616,147.

Part XIII Supplemental Information *(continued)*

PART XI, LINE 4B - OTHER ADJUSTMENTS:

RECLASSIFICATION OF GAIN/LOSS ON SALE FOR 990	-26,275.
RESTRICTED DONATIONS	30,898.
TOTAL TO SCHEDULE D, PART XI, LINE 4B	4,623.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

RECLASSIFICATION OF GAIN ON SALE FOR 990	-26,275.
BAD DEBT EXPENSES	1,616,147.
TOTAL TO SCHEDULE D, PART XII, LINE 4B	1,589,872.

**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

2019**Open to Public
Inspection****Name of the organization****MADISON COMMUNITY HOSPITAL****Employer identification number****46-0228038****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	X	
b If "Yes," was it a written policy?	X	
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 type="checkbox"/> 100% <input checked="" type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	X	
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 type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	X	
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"?	X	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	X	
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?		X
6a Did the organization prepare a community benefit report during the tax year?		X
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)			265,000.		265,000.	.90%
b Medicaid (from Worksheet 3, column a)			885,434.	667,109.	218,325.	.74%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total. Financial Assistance and Means-Tested Government Programs			1150434.	667,109.	483,325.	1.64%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			9,440.		9,440.	.03%
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			8149236.	5981805.	2167431.	7.38%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total. Other Benefits			8158676.	5981805.	2176871.	7.41%
k Total. Add lines 7d and 7j			9309110.	6648914.	2660196.	9.05%

Part II	Community Building Activities	Complete this table if the organization conducted any community building activities during the
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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						

10	Total		
Part III	Bad Debt, Medicare, & Collection Practices		

Section A. Bad Debt Expense

		Yes	No
Section A. Bad Debt Expense			
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	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	2	1,616,147.
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3	153,534.
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.		
Section B. Medicare			
5	Enter total revenue received from Medicare (including DSH and IME)	5	10,508,536.
6	Enter Medicare allowable costs of care relating to payments on line 5	6	10,538,026.
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-29,490.
8	Describe in Part VI the extent to which any shortfall reported on 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)
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[illegible]

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 MADISON COMMUNITY HOSPITAL

Line number of hospital facility, or line numbers of hospital

facilities in a facility reporting group (from Part V, Section A): 1

	Yes	No
Community Health Needs Assessment		
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?	1	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	2	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	3	X
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>18</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	5	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	6a	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	6b	X
7 Did the hospital facility make its CHNA report widely available to the public?	7	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 PART V SECTION C</u>		
b <input type="checkbox"/> Other website (list url):		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input 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	8	X
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>18</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	X
a If "Yes," (list url): <u>SEE PART V SECTION C</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10b	
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	12a	X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b	
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V Facility Information (continued)**Financial Assistance Policy (FAP)**Name of hospital facility or letter of facility reporting group **MADISON COMMUNITY HOSPITAL**

	Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:		
13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?	13 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>150</u> % and FPG family income limit for eligibility for discounted care of <u>400</u> %		
b <input checked="" 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?	14 X	
15 Explained the method for applying for financial assistance?	15 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 type="checkbox"/> Other (describe in Section C)		
16 Was widely publicized within the community served by the hospital facility?	16 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, PAGE 8</u>		
b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>SEE PART V, PAGE 8</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, PAGE 8</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 type="checkbox"/> Other (describe in Section C)		

Schedule H (Form 990) 2019

Part V Facility Information (continued)**Billing and Collections**Name of hospital facility or letter of facility reporting group MADISON COMMUNITY HOSPITAL

	Yes	No	
17 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon nonpayment?	17	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?	19		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)			

Schedule H (Form 990) 2019

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 MADISON COMMUNITY HOSPITAL**22** Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.

- a** ☒ The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period
- b** ☐ 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** ☐ 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** ☐ 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?

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?

If "Yes," explain in Section C.

	Yes	No
23		X
24		X

Schedule H (Form 990) 2019

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.

MADISON COMMUNITY HOSPITAL:

PART V, SECTION B, LINE 5: MADISON REGIONAL HEALTH SYSTEM (MRHS)

CONDUCTED A COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) WITH ASSISTANCE FROM EIDE BAILLY, LLP, AN ACCOUNTING AND CONSULTING FIRM SPECIALIZING IN FINANCIAL, OPERATIONAL, AND HEALTH-NEED CONSULTING WITH HEALTHCARE ORGANIZATIONS. QUALITATIVE AND QUANTITATIVE INFORMATION FROM LOCAL, STATE, AND FEDERAL SOURCES, AND INPUT FROM PERSONS THAT REPRESENT A BROAD RANGE OF INTERESTS IN THE COMMUNITY, PERSONS WITH PUBLIC HEALTH KNOWLEDGE AND EXPERTISE, AND PERSONS REPRESENTING MEDICALLY UNDERSERVED AND VULNERABLE POPULATIONS WAS USED IN DEVELOPING THE REPORT.

MADISON COMMUNITY HOSPITAL:

PART V, SECTION B, LINE 11: THE COMMUNITY HEALTH NEEDS ASSESSMENT WAS COMPLETED DURING THE 2018 TAX YEAR. THE FOLLOWING COMMUNITY HEALTH AREAS WERE IDENTIFIED AND THE FOLLOWING ACTIONS ARE BEING TAKEN BY THE HOSPITAL.

MENTAL AND BEHAVIORAL HEALTH EDUCATION, ACCESS AND AFFORDABILITY

-CONTINUING RELATIONSHIP WITH COMMUNITY COUNSELING SERVICES IN MADISON.

-EXPLORING SERVICE CAPABILITY TO BETTER MEET CUSTOMER NEEDS.

-FURTHERING TO RESEARCH UNIVERSITY OF SOUTH DAKOTA'S EMERGENCY DEPARTMENT PSYCHIATRY RESIDENCY TELEMEDICINE PROGRAM.

-EXPLORING PRESCRIBER OUTREACH SERVICES WHICH WOULD FURTHER INCREASE CAPACITY AND CAPABILITY TO MEET MENTAL AND BEHAVIORAL HEALTH NEEDS IN THE COMMUNITY.

-BRINGING MORE AWARENESS TO AVAILABLE MENTAL AND BEHAVIORAL HEALTH

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.

RESOURCES IN THE COMMUNITY AND PROVIDING MORE EDUCATION AROUND WHAT PEOPLE CAN DO TO MAINTAIN MENTAL AND BEHAVIORAL HEALTH.

POSTACUTE CARE, LONGTERM CARE, AND THE SENIOR LIVING CONTINUUM

-CONTINUING TO OFFER HOME HEALTH SERVICES ALONG WITH SWING BED PROGRAMMING THAT INCLUDES SKILLED AND INTERMEDIATE CARE.

-CONTINUING TO COLLABORATE WITH BETHEL LUTHERAN HOME, A NURSING HOME IN MADISON, SD THAT OFFERS A CONTINUUM OF CARE INCLUDING INDEPENDENT LIVING, ASSISTED LIVING, AND SKILLED NURSING.

-ENHANCING MARKETING EFFORTS AROUND WHAT SERVICES ARE OFFERED AND AVAILABLE IN THE COMMUNITY TO EXPAND THE COMMUNITY'S KNOWLEDGE OF AVAILABLE RESOURCES AND THE PRESENCE OF A FULL CONTINUUM OF SENIOR SERVICES.

SPECIALTY SERVICES ACCESS, AWARENESS, RECRUITING, AND GAPS

-CONTINUING TO PROMOTE SPECIALTY SERVICES THAT ARE OFFERED LOCALLY.

-CONTINUING RECRUITMENT EFFORTS FOR REPLACEMENT AND ADDITIONAL SPECIALTY PROVIDERS.

-INCREASING AWARENESS AROUND OTOLARYNGOLOGY AND FAMILY MEDICINE.

DIABETES AND OBESITY RELATED HEALTH ISSUES: AWARENESS, EDUCATION, SERVICES AND NEW PROGRAMMING

-FOCUSING ON EDUCATION AND AWARENESS IN THE COMMUNITY, SPECIFICALLY AROUND THE RECENTLY DEVELOPED ROBUST DIABETES PREVENTION PROGRAM (DPP).

-DIABETIC EDUCATOR STAFF PARTICIPATE IN MARKETING EFFORTS ALONG WITH MRHS STAFF TO BOOST COMMUNITY AWARENESS AND PARTICIPATION.

-AFFORDABILITY, AN IDENTIFIED NEED, WILL NOT BE ADDRESSED AT THIS TIME.

MRHS IS NOT EQUIPPED TO ADDRESS ISSUES RELATED TO INSURANCE PREMIUMS,

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.

DEDUCTIBLES, AND COPAYS. MRHS IS A LOW COST PROVIDER AND DOES HAVE AN
INCOME BASED FINANCIAL ASSISTANCE PROGRAM WHICH CAN BE ACCESSED IN PERSON
OR ON MRHS' WEBSITE.

MANY OF THESE ACTIVITIES ARE CONTINUATIONS OF ACTIVITIES THE HOSPITAL HAS
BEEN CONDUCTING RELATED TO THE PRIOR COMMUNITY HEALTH NEEDS ASSESSMENT.

MADISON COMMUNITY HOSPITAL:

PART V, SECTION B, LINE 13B: HOUSEHOLD SIZE

MADISON COMMUNITY HOSPITAL

PART V, LINE 16A, FAP WEBSITE:

[HTTP://WWW.MADISONREGIONALHEALTH.ORG/CUSTOM/FINANCIAL-ASSISTANCE](http://WWW.MADISONREGIONALHEALTH.ORG/CUSTOM/FINANCIAL-ASSISTANCE)

MADISON COMMUNITY HOSPITAL

PART V, LINE 16B, FAP APPLICATION WEBSITE:

[HTTP://WWW.MADISONREGIONALHEALTH.ORG/CUSTOM/FINANCIAL-ASSISTANCE](http://WWW.MADISONREGIONALHEALTH.ORG/CUSTOM/FINANCIAL-ASSISTANCE)

MADISON COMMUNITY HOSPITAL

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

[HTTP://WWW.MADISONREGIONALHEALTH.ORG/CUSTOM/FINANCIAL-ASSISTANCE](http://WWW.MADISONREGIONALHEALTH.ORG/CUSTOM/FINANCIAL-ASSISTANCE)

MADISON COMMUNITY HOSPITAL:

PART V, SECTION B, LINE 24: THE HOSPITAL FINANCIAL ASSISTANCE POLICY DOES

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.

NOT COVER ELECTIVE PROCEDURES. THE HOSPITAL MAY HAVE CHARGED FAP ELIGIBLE PATIENTS GROSS CHARGES FOR SERVICES THAT ARE NOT COVERED UNDER THE FINANCIAL ASSISTANCE POLICY.

PART V. SECTION B, LINE 7A

THE COMMUNITY HEALTH NEEDS ASSESSMENT IS AVAILABLE AT

WWW.MADISONREGIONALHEALTH.ORG/CUSTOM/COMMUNITY-HEALTH-NEEDS-ASSESSMENT

PART V. SECTION B, LINE 10A

THE IMPLEMENTATION STRATEGY IS AVAILABLE UPON REQUEST AND AT

WWW.MADISONREGIONALHEALTH.ORG/CUSTOM/COMMUNITY-HEALTH-NEEDS-ASSESSMENT

Part V	Facility Information <i>(continued)</i>
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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

[illegible]

Schedule H (Form 990) 2019

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:

**PRESUMPTIVE ELIGIBILITY UNDER THE FINANCIAL ASSISTANCE POLICY MAY BE USED
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 7B AND LINE 7G
WERE DETERMINED USING THE MEDICAID AND MEDICARE COST REPORTS,
RESPECTIVELY.**

**LINE 7G INCLUDES PROVIDER BASED CLINIC REVENUE OF \$4,409,791, EXPENSE OF
\$5,294,650, FOR A NET COMMUNITY BENEFIT OF \$884,859. LINE 7E WAS
DETERMINED USING THE GENERAL LEDGER.**

PART I, LN 7 COL(F):

**BAD DEBT EXPENSE OF \$1,616,147 WAS SUBTRACTED FROM TOTAL OPERATING
EXPENSE.**

PART III, LINE 2:

Part VI Supplemental Information (Continuation)

BAD DEBT RECOVERIES AND DISCOUNTS APPLIED DURING THE COLLECTION PROCESS ARE POSTED IN A SEPARATE ACCOUNT ON THE GENERAL LEDGER. THIS ACCOUNT IS COMBINED WITH THE BAD DEBT EXPENSE ACCOUNT TO RESULT IN A NET BAD DEBT EXPENSE AMOUNT ON THE AUDITED FINANCIAL STATEMENT. THE BAD DEBT ALLOWANCE AND EXPENSE TAKES CONTRACTUAL ALLOWANCES INTO ACCOUNT. THE AMOUNT OF BAD DEBT SHOWN IS BASED ON CHARGES.

PART III, LINE 3:

THE HOSPITAL APPLIED THE MOST RECENT POVERTY LEVEL PERCENTAGE, 9.5% PER THE U.S. CENSUS BUREAU FOR ITS AREA, TO THE TOTAL AMOUNT SENT TO COLLECTIONS DURING THE FISCAL YEAR ENDED JUNE 30, 2020 TO DETERMINE AN ESTIMATE OF ELIGIBLE CHARITY CARE REPORTED AS BAD DEBT.

PART III, LINE 4:

FOOTNOTE FROM FINANCIAL STATEMENT: PLEASE SEE PAGES 8-9 OF THE ATTACHED FINANCIAL STATEMENT FOR THE PATIENT RECEIVABLES FOOTNOTE.

PART III, LINE 8:

MEDICARE ALLOWABLE COST OF CARE WAS CALCULATED FROM THE MEDICARE COST REPORT FOR THE FISCAL YEAR ENDING 06/30/2020.

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:

ACCOUNTS THAT MEET THE CRITERIA FOR THE FINANCIAL ASSISTANCE POLICY WILL

Part VI Supplemental Information (Continuation)

BE WRITTEN OFF IN ACCORDANCE WITH THE FINANCIAL ASSISTANCE POLICY.

ACCOUNTS THAT DO NOT MEET THE CRITERIA FOR FINANCIAL ASSISTANCE WILL

PROCEED THROUGH THE COLLECTION PROCESS. IF, DURING THE COLLECTION PROCESS,

IT IS DETERMINED THAT AN ACCOUNT IN COLLECTION BELONGS TO A PATIENT WHO IS

ELIGIBLE FOR FINANCIAL ASSISTANCE, THE ACCOUNT WILL BE REMOVED FROM

COLLECTION AND RETURNED TO THE HOSPITAL FOR RESOLUTION.

PART VI, LINE 2:

MADISON REGIONAL HEALTH SYSTEM CONDUCTS PATIENT SURVEYS OF MANY LEVELS OF

CARE. MRHS HAS MANY WORKING COMMITTEES THAT DISCUSS THE NEEDS OF THE

COMMUNITY (ANTIBIOTIC STEWARDSHIP, OPIOID EPIDEMIC COMMITTEE, ETC).

PART VI, LINE 3:

A SUMMARY OF THE FACILITY'S FINANCIAL ASSISTANCE POLICY IS AVAILABLE ON

THE HOSPITAL'S WEBSITE, ATTACHED TO BILLING INVOICES, POSTED IN THE

EMERGENCY ROOM OR WAITING ROOMS, POSTED IN THE ADMISSIONS OFFICE, GIVEN TO

PATIENTS ON ADMISSION, AND UPON REQUEST. DISCHARGE PLANNING PERSONNEL IN

THE BUSINESS OFFICE COUNSEL PATIENTS UPON ADMISSION AND THROUGH THE

DISCHARGE PLANNING PROCESS ON MEDICAID, COUNTY WELFARE PROGRAMS, CHARITY

CARE, ETC. FINANCIAL ASSISTANCE PROGRAMS ARE DETAILED EITHER IN PERSON OR

THROUGH A BROCHURE THAT EXPLAINS THE HOSPITAL'S FINANCIAL ASSISTANCE AND

PAYMENT REQUIREMENTS. COVERED VS NON-COVERED CHARGES ARE DISCUSSED WITH

THE PATIENT. A PATIENT ASSESSMENT, INCLUDING A DISCUSSION ON FINANCIAL

RESPONSIBILITIES, CONCERNS, AND GOVERNMENT PROGRAMS, IS COMPLETED ON EACH

INPATIENT BY DISCHARGE PLANNING. A FINANCIAL COUNSELOR MEETS ONE-ON-ONE

WITH PATIENTS PRIOR TO DISCHARGE TO GO OVER INSURANCE COVERAGE AND WHAT TO

EXPECT ONCE INSURANCE IS PROCESSED.

Part VI Supplemental Information (Continuation)

PART VI, LINE 4:

MADISON REGIONAL HEALTH SYSTEM IS THE ONLY HOSPITAL IN THE SERVICE AREA. EIGHT PHYSICIANS AND FOUR PHYSICIAN EXTENDERS PRACTICE IN THE COMMUNITY. THE SERVICE AREA FOR MRHS INCLUDES 14 ZIP CODE COMMUNITIES THAT ARE WITHIN A 21MILE RADIUS OF THE HOSPITAL. IT INCLUDES ALL OF LAKE COUNTY AND PORTIONS OF BROOKINGS, KINGSBURY, MINER, MOODY, MCCOOK AND MINNEHAHA COUNTIES. TOTAL SERVICE AREA POPULATION IS APPROXIMATELY 32,000. ESTIMATED MEDIAN HOUSEHOLD INCOME IS \$61,846 ACCORDING TO THE U.S CENSUS BUREAU."

PART VI, LINE 5:

THE GOVERNING BODY OF MRHS IS COMPRISED OF COMMUNITY MEMBERS, NONE OF WHOM ARE EMPLOYEES OR CONTRACTORS OF THE HOSPITAL. MEDICAL STAFF PRIVILEGES ARE EXTENDED TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY. SURPLUS FUNDS ARE USED TO IMPROVE PATIENT CARE AND FACILITIES. THE HOSPITAL OPERATES AN EMERGENCY ROOM WHICH IS AVAILABLE TO ALL REGARDLESS OF THEIR ABILITY TO PAY. THE HOSPITAL PARTICIPATES IN EDUCATION AND TRAINING OF HEALTHCARE PROFESSIONALS THROUGH RESIDENCIES AND INTERNSHIPS FOR NURSING STUDENTS, THERAPY STUDENTS, PHYSICIANS AND PHYSICIAN'S EXTENDERS. THE HOSPITAL PARTICIPATES IN SEVERAL GOVERNMENT SPONSORED HEALTH PROGRAMS, INCLUDING BUT NOT LIMITED TO: MEDICARE, MEDICAID, VA, TRI-CARE, AND ALL-WOMEN-COUNT. THE HOSPITAL OFFERS VOLUNTEER OPPORTUNITIES TO MEMBERS OF THE COMMUNITY.

**SCHEDULE J
(Form 990)**Department of the Treasury
Internal Revenue Service**Compensation Information**For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees

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

▶ Attach to Form 990.

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

OMB No. 1545-0047

2019Open to Public
Inspection

Name of the organization

MADISON COMMUNITY HOSPITAL

Employer identification number

46-0228038**Part I Questions Regarding Compensation****1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.☐ First-class or charter travel☐ Housing allowance or residence for personal use☐ Travel for companions☐ Payments for business use of personal residence☐ Tax indemnification and gross-up payments☐ Health or social club dues or initiation fees☐ Discretionary spending account☐ Personal services (such as maid, chauffeur, chef)**b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?**3** Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.☐ Compensation committee☐ Written employment contract☐ Independent compensation consultant☒ Compensation survey or study☒ Form 990 of other organizations☒ Approval by the board or compensation committee**4** During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:**a** Receive a severance payment or change-of-control payment?**b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?**c** Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.**5** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:**a** The organization?**b** Any related organization?

If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:**a** The organization?**b** Any related organization?

If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III**8** Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III**9** If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

Yes No

1b**2****4a****4b****4c****5a****5b****6a****6b****7****8****9****X****X****X****X****X****X****X****X****X**

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

Schedule J (Form 990) 2019

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) ROBERT SUMMERER SURGEON	(i)	491,559.	0.	0.	14,000.	20,610.	526,169.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) LAURA HOEFERT MD OF FAMILY MEDICINE	(i)	437,469.	36,876.	0.	14,000.	14,563.	502,908.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) BENJAMIN LISCANO MD OF FAMILY MEDICINE	(i)	420,495.	22,349.	0.	14,000.	21,307.	478,151.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) JUSTIN CLEM MD OF FAMILY MEDICINE	(i)	353,672.	36,876.	0.	14,000.	22,400.	426,948.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) MITCHELL POPPENS PHYSICIAN ASSISTANT	(i)	321,033.	0.	0.	14,000.	16,454.	351,487.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) TAMARA MILLER CEO	(i)	274,577.	0.	0.	13,976.	13,408.	301,961.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
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	(i)							
	(ii)							
	(i)							
	(ii)							

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

[illegible]

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

2019Open to Public
Inspection

Name of the organization

MADISON COMMUNITY HOSPITAL

Employer identification number

46-0228038

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

STANDARDS.

MADISON COMMUNITY HEALTH SYSTEM SERVES AS A COMMUNITY AND SERVICE AREA

BASED PRIMARY CARE INSTITUTION WITH BASIC SECONDARY CARE SUPPORT

SERVICES, AND FACILITIES PROVIDED TO MEET DEMONSTRATED NEEDS WHICH CAN

BE MET WITHIN THE FINANCIAL AND RESOURCE CONSTRAINTS OF THE

ORGANIZATION.

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

THE EXECUTIVE COMMITTEE SHALL HAVE THE BOARD PRESIDENT AS ITS CHAIRMAN AND

FOUR APPOINTED MEMBERS. THE EXECUTIVE COMMITTEE SHALL HAVE POWER TO

TRANSACT ALL REGULAR BUSINESS OF THE FACILITY DURING THE INTERIM BETWEEN

THE MEETINGS OF THE BOARD OF DIRECTORS, PROVIDED ANY ACTION TAKEN SHALL NOT

CONFLICT WITH THE POLICIES AND EXPRESSED WISHES OF THE BOARD OF TRUSTEES

AND THAT IT SHALL REFER ALL MATTERS OF MAJOR IMPORTANCE TO THE BOARD OF

TRUSTEES.

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

THE CEO AND CHIEF FINANCIAL OFFICER REVIEW THE 990 IN DETAIL. AFTER THEIR

REVIEW, THE 990 IS PROVIDED TO EACH BOARD MEMBER. THE CEO PRESENTS THE 990

TO THE BOARD OF DIRECTORS AT THE MEETING HELD PRIOR TO ITS FILING IF SO

REQUESTED BY ANY BOARD MEMBER. WHETHER PRESENTED IN A BOARD MEETING OR NOT,

THE 990 IS NOT FILED UNTIL EACH BOARD MEMBER HAS BEEN GIVEN A COPY OF IT

AND GIVEN AMPLE TIME TO REVIEW IT.

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

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

Schedule O (Form 990 or 990-EZ) (2019)

Name of the organization

MADISON COMMUNITY HOSPITAL

Employer identification number

46-0228038

ALL BOARD MEMBERS AND OFFICERS ARE COVERED UNDER THE CONFLICT OF INTEREST POLICY. THE BOARD WILL REVIEW ACTUAL CONFLICTS AND MAKE DETERMINATIONS WHETHER A CONFLICT EXISTS. THE RESTRICTIONS ARE IMPOSED ON A CASE BY CASE BASIS BASED ON THE BOARD'S DETERMINATION.

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

THE CEO'S COMPENSATION AND BENEFITS ARE REVIEWED ON AN ANNUAL BASIS IN EXECUTIVE SESSION AT THE BOARD OF TRUSTEE MEETING. THE BOARD OF TRUSTEES APPROVES THE SALARY AND BENEFITS COMPENSATION. SDAHO SALARY SURVEY AND OTHER FACILITY 990'S ARE USED TO DETERMINE CEO'S COMPENSATION.

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

THESE DOCUMENTS ARE AVAILABLE TO THE GENERAL PUBLIC UPON REQUEST.

Form **8868**
(Rev. January 2020)Department of the Treasury
Internal Revenue Service**Application for Automatic Extension of Time To File an
Exempt Organization Return**

OMB No. 1545-0047

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

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

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

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

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. MADISON COMMUNITY HOSPITAL	Taxpayer identification number (TIN) 46-0228038
	Number, street, and room or suite no. If a P.O. box, see instructions. 323 S.W. 10TH ST.	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. MADISON, SD 57042	

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

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

TAMARA MILLER

- The books are in the care of ► **323 S.W. 10TH ST. - MADISON, SD 57042**
Telephone No. ► **605-256-6551** Fax No. ► _____
- If the organization does not have an office or place of business in the United States, check this box ☐ _____
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and TINs of all members the extension is for.

- 1** I request an automatic 6-month extension of time until **MAY 17, 2021**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ► ☐ calendar year _____ or
 ► ☒ tax year beginning **JUL 1, 2019**, and ending **JUN 30, 2020**.

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

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

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

LHA **For Privacy Act and Paperwork Reduction Act Notice, see instructions.**Form **8868** (Rev. 1-2020)

Electronic Filing PDF Attachment



Financial Statements
June 30, 2020 and 2019

Madison Community Hospital d/b/a Madison Regional Health System

Madison Regional Health System

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June 30, 2020 and 2019

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Independent Auditor's Report

The Board of Trustees
Madison Community Hospital d/b/a Madison Regional Health System
Madison, South Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of Madison Community Hospital d/b/a Madison Regional Health System (System), which comprise the balance sheets as of June 30, 2020 and 2019, 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 these financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Madison Community Hospital d/b/a Madison Regional Health System as of June 30, 2020 and 2019, 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the Facility has adopted the provisions of Financial Accounting Standards Board Accounting Standards Update No. 2016-18, *Statements of Cash Flows (Topic 230): Restricted Cash*. Accordingly, the June 30, 2019 financial statements have been adjusted to adopt this standard. Our opinion is not modified with respect to this matter.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Sioux Falls, South Dakota
November 6, 2020

Madison Regional Health System

Balance Sheets

June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 21,578,146	\$ 8,588,661
Receivables		
Patient, net of estimated uncollectibles	3,745,096	3,983,456
Estimated third-party payor settlements	750,000	490,000
Insurance recoveries	-	961,000
Other	292,196	297,168
Supplies	523,174	463,125
Prepaid expenses	<u>254,078</u>	<u>235,128</u>
Total current assets	<u>27,142,690</u>	<u>15,018,538</u>
Assets Limited as to Use		
Under indenture agreements	949,226	927,236
By board for capital improvements and debt redemption	4,282,954	4,186,421
By donors for specific purposes	<u>48,492</u>	<u>17,594</u>
Total assets limited as to use	<u>5,280,672</u>	<u>5,131,251</u>
Property and Equipment, Net	<u>26,450,712</u>	<u>29,237,621</u>
Other Assets		
Notes receivable	<u>25,602</u>	<u>79,960</u>
Total assets	<u>\$ 58,899,676</u>	<u>\$ 49,467,370</u>

Madison Regional Health System

Balance Sheets

June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	\$ 1,952,437	\$ 911,170
Accounts payable	481,783	468,025
Medicare advanced payments	4,170,209	-
Refundable advances	4,291,471	-
Accrued expenses		
Salaries and wages	695,387	510,392
Vacation	891,235	745,658
Interest	72,545	-
Payroll taxes and other	112,035	89,941
Claims reserves	-	961,000
Self-insurance reserves	410,552	272,716
Total current liabilities	<u>13,077,654</u>	<u>3,958,902</u>
Long-Term Liabilities		
Long-term debt, net of current maturities and unamortized debt issuance costs	<u>28,932,703</u>	<u>28,359,696</u>
Total liabilities	<u>42,010,357</u>	<u>32,318,598</u>
Net Assets		
Without donor restrictions	16,840,827	17,131,178
With donor restrictions	<u>48,492</u>	<u>17,594</u>
Total net assets	<u>16,889,319</u>	<u>17,148,772</u>
Total liabilities and net assets	<u>\$ 58,899,676</u>	<u>\$ 49,467,370</u>

Madison Regional Health System
Statements of Operations
Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenue, Gains and Other Support Without Donor Restrictions		
Net patient service revenue	\$ 28,802,086	\$ 29,004,303
Provisions for bad debts	(1,616,147)	(1,519,465)
Net patient service revenue, less provision for bad debts	<u>27,185,939</u>	<u>27,484,838</u>
Other revenue	<u>1,577,105</u>	<u>1,274,474</u>
Total revenue, gains and other support	<u>28,763,044</u>	<u>28,759,312</u>
Expenses		
Salaries and wages	14,198,279	13,184,883
Employee benefits	2,523,042	2,378,970
Supplies and other	8,279,986	8,101,888
Depreciation and amortization	3,316,679	3,214,924
Interest	<u>1,076,930</u>	<u>1,072,548</u>
Total expenses	<u>29,394,916</u>	<u>27,953,213</u>
Operating (Loss) Income	<u>(631,872)</u>	<u>806,099</u>
Other Income		
Investment return	284,929	152,801
Contributions without donor restrictions	<u>56,592</u>	<u>17,610</u>
Total other income	<u>341,521</u>	<u>170,411</u>
Revenues (Less than) in Excess of Expenses	(290,351)	976,510
Net Assets Released from Restrictions for Capital Acquisition	<u>-</u>	<u>56,585</u>
Change in Net Assets Without Donor Restrictions	<u>\$ (290,351)</u>	<u>\$ 1,033,095</u>

Madison Regional Health System
 Statements of Changes in Net Assets
 Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Net Assets Without Donor Restrictions		
Revenues (less than) in excess of expenses	\$ (290,351)	\$ 976,510
Net assets released from restrictions	<u>-</u>	<u>56,585</u>
Change in net assets without donor restrictions	<u>(290,351)</u>	<u>1,033,095</u>
Net Assets With Donor Restrictions		
Contributions for specific purposes	30,898	23,264
Net assets released from restrictions	<u>-</u>	<u>(56,585)</u>
Change in net assets with donor restrictions	<u>30,898</u>	<u>(33,321)</u>
Change in Net Assets	(259,453)	999,774
Net Assets, Beginning of Year	<u>17,148,772</u>	<u>16,148,998</u>
Net Assets, End of Year	<u><u>\$ 16,889,319</u></u>	<u><u>\$ 17,148,772</u></u>

Madison Regional Health System

Statements of Cash Flows

Years Ended June 30, 2020 and 2019

	2020	Restated 2019
Operating Activities		
Change in net assets	\$ (259,453)	\$ 999,774
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	3,316,679	3,214,924
Provision for bad debts	1,616,147	1,519,465
Interest expense attributable to amortization of debt issuance costs	120,097	19,110
Contributions restricted by donors	(30,898)	(23,264)
Loss (gain) on disposal of property and equipment	26,275	(12,867)
Changes in assets and liabilities		
Receivables	(1,578,457)	(2,114,867)
Supplies	(60,049)	61,786
Prepaid expenses	(18,950)	(1,751)
Accounts payable	13,758	(375,670)
Medicare accelerated payments and deferred governmental stimulus grants	8,461,680	-
Accrued expenses	563,047	188,741
Net Cash from Operating Activities	12,169,876	3,475,381
Investing Activities		
Purchase of property and equipment	(556,045)	(724,745)
Proceeds from disposal of property and equipment	-	12,867
Purchase of assets limited as to use	(1,498,000)	(4,601,517)
Sales and maturities of assets limited as to use	1,316,194	1,302,811
Net Cash used for Investing Activities	(737,851)	(4,010,584)
Financing Activities		
Repayment of long term debt	(1,004,823)	(1,868,006)
Proceeds from issuance of long-term debt	2,499,000	-
Contributions restricted by donors	30,898	23,264
Net Cash provided by (used for) Financing Activities	1,525,075	(1,844,742)
Net Change in Cash, Cash Equivalents and Restricted Cash	12,957,100	(2,379,945)
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	9,566,461	11,946,406
Cash, Cash Equivalents and Restricted Cash, End of Year	\$ 22,523,561	\$ 9,566,461
Cash and Cash Equivalents	\$ 21,578,146	\$ 8,588,661
Cash and Cash Equivalents Included in Assets Limited as to Use	945,415	977,800
Total cash and cash equivalents	\$ 22,523,561	\$ 9,566,461
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	\$ 956,833	\$ 1,072,724
Supplemental Disclosure of Non-cash Financing Activity		
Refinancing of long term debt	\$ 9,216,350	\$ -

See Notes to Financial Statements

7

Madison Regional Health System

Notes to Financial Statements

June 30, 2020 and 2019

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

Madison Community Hospital d/b/a Madison Regional Health System (System) is a South Dakota nonprofit corporation, exempt from federal income taxes which operates a 22-bed acute care hospital and a medical clinic located in Madison, South Dakota.

Use of Estimates

The preparation of the 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 disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less.

Patient Receivables

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

Patient accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the System 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 System analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary. 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 System 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 and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Madison Regional Health System

Notes to Financial Statements

June 30, 2020 and 2019

The System's process for calculating the allowance for doubtful accounts for self-pay patients has not significantly changed from June 30, 2019 to June 30, 2020. The System 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 System has not significantly changed its charity care or uninsured discount policies during fiscal years 2020 or 2019. Patient receivables are shown net of estimated uncollectibles of \$1,793,000 and \$1,853,000 as of June 30, 2020 and 2019.

Notes Receivable

The System issues notes to employees and physicians as part of its recruitment process. Notes are typically repayable over four years. Physician notes are typically issued with forgiveness provisions over the life of the note to encourage retention. Based on historical analysis, it is anticipated that the balance of these notes will be forgiven.

Supplies

Inventories are valued at lower of cost (first in, first out) or net realizable value.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheets. Certificates of deposit that are not publicly traded are recorded at cost plus accrued interest. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in revenues (less than) in excess of expenses unless the income or loss is restricted by donor or law.

Assets Limited as to Use

Assets limited as to use include assets set aside by the Board of Trustees for future capital improvements and debt redemption, over which the Board retains control and may at its discretion subsequently use for other purposes; assets held by trustees under indenture agreements; and assets restricted by donors for specific purposes.

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 class of depreciable asset and is computed on the straight-line method. The estimated useful lives of property and equipment are as follows:

Land and improvements	8 - 20 years
Buildings	5 - 40 years
Equipment	5 - 20 years

Madison Regional Health System

Notes to Financial Statements

June 30, 2020 and 2019

Gifts of long-lived assets such as land, buildings, or equipment are reported as additions to net assets without donor restrictions, and are excluded from 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 net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when donated or when acquired long-lived assets are placed in service.

The System considers whether indicators of impairment are present and performs the necessary analysis to determine if the carrying values of assets are appropriate. No impairment was identified for the years ended June 30, 2020 and 2019.

Income Taxes

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

The System believe that they have appropriate support for any tax positions taken affecting their annual filing requirements, and as such, do not have any uncertain tax positions that are material to the financial statements. The System 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. The System has determined that they are not subject to unrelated business income tax and have not filed an Exempt System Business Income Tax Return (Form 990T) with the IRS.

Employee Health Claims

The System is insured for employee health claims with a self-insured retention of \$35,000 per insured individual per year. The accrual for these costs includes the unpaid portion of claims that have been reported and estimates of insured claims that have been incurred but not reported.

Debt Issuance Costs

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

Madison Regional Health System

Notes to Financial Statements

June 30, 2020 and 2019

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.

Net Patient Service Revenue

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates. Payment arrangements include prospectively determined rates, reimbursed costs, and discounted charges. 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 System 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 System recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a significant portion of the System's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the System records a significant provision for bad debts related to uninsured patients in the period the services are provided.

Net patient service revenue before the provision for bad debts, recognized for the years ended June 30, 2020 and 2019 from these major payor sources, is as follows:

	2020	2019
Net patient service revenue		
Third-party payors	\$ 26,628,767	\$ 26,732,920
Uninsured	2,173,319	2,271,383
Total all payors	<u>\$ 28,802,086</u>	<u>\$ 29,004,303</u>

Charity Care

The System provides health care services to patients who meet certain criteria under its charity care policy without charge or at amounts less than established rates. Since the System does not pursue collection of these amounts, they are not reported as patient service revenue. The estimated cost of providing these services was \$265,000 and \$190,000 for the years ended June 30, 2020 and 2019, calculated by multiplying the ratio of cost to gross charges for the System by the gross uncompensated charges associated with providing charity care to its patients.

Madison Regional Health System

Notes to Financial Statements

June 30, 2020 and 2019

Performance Indicator

Revenues in excess of (less than) expenses is the performance indicator and excludes transfers of assets to and from related parties for other than goods and services and contributions of long-lived assets, including assets acquired using contributions which were restricted by donors.

Donor-Restricted Gifts

The System reports contributions restricted by donors as increases in net assets without donor 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 System expenses advertising costs as incurred. Advertising expenses totaled \$102,737 and \$98,315 for the years ended June 30, 2020 and 2019, respectively.

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 program and support services benefited.

The financial statements report certain categories of expenses that are attributed to both program and support functions. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, such as depreciation and interest are allocated to a function based on a square-footage or units-of-service basis.

Madison Regional Health System

Notes to Financial Statements

June 30, 2020 and 2019

Change in Accounting Policy

As of July 1, 2019, the Facility adopted the provisions of Accounting Standards Update (ASU) 2016-18, *Statement of Cash Flows (Topic 230) Restricted Cash*. This update requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents, by including amounts generally described as restricted cash and restricted cash equivalents with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statements of cash flows. Retrospective application of the amendment is required. The System has adopted this standard as management believes this presentation eliminates a diversity in practice in the presentation of restricted cash and restricted cash equivalents in the statement of cash flows.

Note 2 - Net Patient Service Revenue

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

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

Medicaid - Services rendered to Medicaid program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors.

Blue Cross - Services rendered to Blue Cross subscribers are reimbursed under a prospectively determined methodology.

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

Madison Regional Health System

Notes to Financial Statements

June 30, 2020 and 2019

Revenue from the Medicare program, Blue Cross and the Medicaid program accounted for 47%, 15% and 6% of the System's gross patient service revenue for the year ended June 30, 2020 and 47%, 16% and 5% of gross patient service revenue for the year ended June 30, 2019. Laws and regulations governing Medicare, Medicaid, and other programs are extremely complex and subject to interpretation. In addition, the ability to estimate the collectability of uninsured and other self-pay patients is contingent on the patient's ability or willingness to pay for the services provided. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Net patient service revenue for the years ended June 30, 2020 and 2019, increased approximately \$183,000 and \$232,000 due to removal of allowances previously estimated that are no longer necessary as a result of final settlements and years that are no longer likely subject to audits, reviews and investigations.

Medicare Advanced Payments

The Medicare advanced payments liability consists of the unpaid advanced payments received from the Centers for Medicare & Medicaid Services (CMS), in order to increase cash flow for Medicare Part A and B providers who were impacted by the COVID-19 pandemic. The System received \$4,170,209 in advanced payments which will be expected to be recouped through reductions to payments on future Medicare claims. The U.S. Congress and CMS have extended the repayment of these advance payments on multiple occasions and repayment terms remain subject to additional congressional and regulatory action. Repayment of the \$4,170,209 received under this program is currently expected to begin during the year ended June 30, 2021, one year after the System received the advanced payments, and outstanding balances are currently not required to be paid in full for 29 months from the date the first payment under the program was received, at which time interest would accrue at 4% of the outstanding balance. Due to the continuing legislative changes and uncertainty of the ultimate timing and nature of repayment and future management considerations as to timing of repayment, the System has classified this liability as a current liability.

Note 3 - Provider Relief Funds

The Facility received \$4,291,471 of Coronavirus Aid, Relief, and Economic Security (CARES) Act Provider Relief Funds administered by the Department of Health and Human Services (HHS). The funds are subject to terms and conditions imposed by HHS. Among the terms and conditions is a provision that payments will only be used to prevent, prepare for, and respond to coronavirus and shall reimburse the recipient only for healthcare-related expenses or lost revenues that are attributable to coronavirus. Recipients may not use the payments to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse. HHS currently has a deadline to incur eligible expenses of June 30, 2021. Unspent funds will be expected to be repaid.

These funds are recorded as a refundable advance when received and will be recognized as revenues in the accompanying statements of operations when all terms and conditions are considered met. The terms and conditions are subject to interpretation and future clarification. In addition, this program may be subject to oversight, monitoring and audit. Failure by a provider that received a payment from the Provider Relief Fund to comply with any term or condition can subject the provider to recoupment of some or all of the payment. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Madison Regional Health System

Notes to Financial Statements

June 30, 2020 and 2019

As of June 30, 2020, the System had unused refundable advances of \$4,291,471, which was included in current liabilities on the accompanying balance sheet. During the year ended June 30, 2020, the System did not recognize revenue from provider relief funds in the statement of operations.

Note 4 - 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:

	2020	2019
Cash and cash equivalents	\$ 21,578,146	\$ 8,588,661
Accounts receivable, net	3,745,096	3,983,456
Estimated third-party settlements	750,000	490,000
Other receivables	292,196	297,168
Assets limited as to use	4,282,954	4,186,421
	<u>\$ 26,365,438</u>	<u>\$ 13,359,285</u>

Assets limited as to use that are considered available for general expenditure consist of amounts designated by the Board for future capital improvements and debt redemption. Although the System does not intend to use these funds for general expenditures, these amounts could be made available if necessary.

Note 5 - Investments**Assets Limited as to use**

The composition of assets limited as to use at June 30, 2020 and 2019, is set forth in the following table:

	2020	2019
Cash and cash equivalents	\$ 945,415	\$ 977,800
Certificates of deposit	4,327,612	4,147,016
Other	7,645	6,435
	<u>\$ 5,280,672</u>	<u>\$ 5,131,251</u>

Madison Regional Health System

Notes to Financial Statements

June 30, 2020 and 2019

Note 6 - Property and Equipment

A summary of property and equipment at June 30, 2020 and 2019, is as follows:

	2020		2019	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land and improvements	\$ 3,898,880	\$ 1,294,652	\$ 3,913,880	\$ 1,038,088
Buildings	25,552,005	6,110,999	25,543,180	4,823,581
Equipment	14,143,970	9,738,492	13,843,684	8,201,454
	<u>\$ 43,594,855</u>	<u>\$ 17,144,143</u>	<u>\$ 43,300,744</u>	<u>\$ 14,063,123</u>
Property and equipment, net		<u>\$ 26,450,712</u>		<u>\$ 29,237,621</u>

Note 7 - Leases

The System leases certain equipment under noncancelable long-term lease agreements which have been recorded as capitalized leases. The capitalized leased assets consist of:

Major moveable equipment	\$ 1,765,212	\$ 1,765,212
Less accumulated amortization	<u>(1,735,792)</u>	<u>(1,382,750)</u>
	<u>\$ 29,420</u>	<u>\$ 382,462</u>

Minimum future lease payments for the capital leases are as follows:

<u>Years Ending June 30,</u>	
2021	\$ 30,732
Less interest	<u>(44)</u>
Present value of minimum lease payments - Note 8	<u>\$ 30,688</u>

Madison Regional Health System

Notes to Financial Statements

June 30, 2020 and 2019

Note 8 - Long Term Debt

Long-term debt consists of:

	<u>2020</u>	<u>2019</u>
2013 Series A Bonds, 4.35% (effective interest rate of 4.39%), guaranteed by the United States Department of Agriculture, due in monthly installments of \$47,030 through September 2043	\$ -	\$ 8,447,147
Unamortized debt issuance costs	-	(97,634)
2013 Series B Bonds, 5.87% (effective interest rate of 5.91%), due in monthly installments of \$6,136 through September 2043	-	951,154
Unamortized debt issuance costs	-	(10,993)
Paycheck Protection Program note payable, 1.0%, due in monthly installments of \$140,661, inclusive of interest, through April 2022	2,499,000	-
Note payable to Sioux Valley-Southwestern Electric Co-op, Inc., interest free, due in quarterly installments of \$7,500, through March 2026	165,000	195,000
2013 Series A and B Refinancing Bonds, 3.45% (effective interest rate of 3.46%, due in monthly installments of \$65,660 through April 2035	9,137,911	-
Unamortized debt issuance costs	(45,661)	-
United States Department of Agriculture notes payable, 2.875% (effective interest rate of 3.03%), due in monthly installments of \$71,955 through June 2056	19,313,983	19,617,420
Unamortized debt issuance costs	(215,781)	(226,738)
Capital lease obligation - see Note 7	<u>30,688</u>	<u>395,510</u>
	30,885,140	29,270,866
Less current maturities	<u>(1,952,437)</u>	<u>(911,170)</u>
Total long term debt	<u>\$ 28,932,703</u>	<u>\$ 28,359,696</u>

Madison Regional Health System

Notes to Financial Statements

June 30, 2020 and 2019

Long-term debt maturities are as follows:

<u>Years Ending June 30,</u>	
2021	\$ 1,952,437
2022	2,248,149
2023	875,230
2024	902,865
2025	931,445
Thereafter	24,236,456
Unamortized debt issuance costs	<u>(261,442)</u>
Long-term debt, less unamortized debt issuance costs	<u><u>\$ 30,885,140</u></u>

The Facility was granted a \$2,499,000 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The Facility is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The Facility will record the forgiveness in accordance with guidance for conditional contributions when there is no longer a measurable performance or other barrier and a right to return of the PPP loan. Proceeds from the loan are eligible for forgiveness if they are used for certain payroll, rent, and utility expenses. No contribution revenue has been recorded for the year ended June 30, 2020. The Facility will be required to repay any remaining balance, plus interest accrued at 1%, in monthly payments commencing upon notification of forgiveness or partial forgiveness.

Under the terms of the loan agreements, the System is required to maintain certain deposits with a trustee. Such deposits are included with assets limited as to use in the financial statements. Assets that are available for obligations classified as current liabilities are reported in current assets.

Note 9 - Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purpose at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Property and equipment acquisitions and various healthcare related programs and services	<u>\$ 48,492</u>	<u>\$ 17,594</u>

In 2020 and 2019, net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes in the amounts of \$-0- and \$56,585, respectively. These amounts are included in net assets released from restrictions in the accompanying financial statements.

Madison Regional Health System

Notes to Financial Statements

June 30, 2020 and 2019

Note 10 - Pension Plan

The System has a defined contribution pension plan under which employees may become participants upon reaching age 21 and completion of one year of service. For those employees the System contributes 1% of eligible compensation after which an employer match up to 4% of eligible compensation is also provided. Total pension plan expense for the years ended June 30, 2020 and 2019, was \$612,554 and \$591,860, respectively.

Note 11 - Concentrations of Credit Risk

The System 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 June 30, 2020 and 2019, was as follows:

	2020	2019
Private pay	35%	35%
Medicare	33%	30%
Commercial insurance	20%	21%
Blue Cross	9%	12%
Medicaid	3%	2%
	<u>100%</u>	<u>100%</u>

The System's cash balances are maintained in various bank deposit accounts. At various times throughout the year, the balance in these deposits may be in excess of federally insured limits.

Note 12 - Functional Expenses

The System provides health care services to patients within its geographic location. Expenses related to providing these services by functional class for the year ended June 30, 2020 is as follows:

	Health Care Services	General and Administrative	Total
Salaries and wages	\$ 11,871,023	\$ 2,327,256	\$ 14,198,279
Employee benefits	2,033,783	489,259	2,523,042
Supplies and other	6,629,749	1,650,237	8,279,986
Depreciation	2,883,272	433,407	3,316,679
Interest expense	931,748	145,182	1,076,930
	<u>\$ 24,349,575</u>	<u>\$ 5,045,341</u>	<u>\$ 29,394,916</u>

Madison Regional Health System

Notes to Financial Statements

June 30, 2020 and 2019

Expenses related to providing these services by functional class for the year ended June 30, 2019 is as follows:

	Health Care Services	General and Administrative	Total
Salaries and wages	\$ 11,091,238	\$ 2,093,645	\$ 13,184,883
Employee benefits	1,966,341	412,629	2,378,970
Supplies and other	6,575,213	1,526,675	8,101,888
Depreciation	2,781,229	433,695	3,214,924
Interest expense	927,957	144,591	1,072,548
	<u>\$ 23,341,978</u>	<u>\$ 4,611,235</u>	<u>\$ 27,953,213</u>

Note 13 - Contingency

Malpractice Insurance

The System has malpractice insurance coverage to provide protection for professional liability losses on a claims-made basis subject to a limit of one million per claim and an annual aggregate limit of three million. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured. The System has accrued professional liability reserves of \$-0- and \$900,000 at June 30, 2020 and 2019, respectively. As of June 30, 2020 and 2019, receivables of \$-0- and \$900,000, respectively, have been recorded for expected insurance recoveries related to professional liability claims.

COVID-19 Pandemic

During 2020, the world-wide coronavirus pandemic impacted national and global economies. The System is closely monitoring its operations, liquidity and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the current and future full impact to the Facility is unknown.

Litigation, Claims, and Disputes

The System is subject to the usual contingencies in the normal course of operations relating to the performance of its tasks under various programs. Management assesses the ultimate settlement of any litigations, claims, and disputes in process in determining whether a liability should be recorded or a disclosure should be presented.

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.

Madison Regional Health System

Notes to Financial Statements

June 30, 2020 and 2019

Note 14 - Restatement

As discussed in Note 1, the System adopted the provisions of Accounting Standards Update (ASU) 2016-18, *Statement of Cash Flows (Topic 230) Restricted Cash* as of July 1, 2019. Following is a summary of the effects of the change in accounting policy in the System's June 30, 2019 statement of cash flows:

	As Previously Reported	Change in Accounting Principle	As Adjusted
Investing Activities			
Purchase of assets limited as to use	(4,548,346)	(53,171)	(4,601,517)
Net change in cash held as assets limited as to use	(15,328)	15,328	-
Net Cash used for Investing Activities	(3,972,741)	(37,843)	(4,010,584)
Net Change in Cash, Cash Equivalents and Restricted Cash	(2,342,102)	(37,843)	(2,379,945)
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	10,930,763	1,015,643	11,946,406
Cash, Cash Equivalents and Restricted Cash, End of Year	8,588,661	977,800	9,566,461

Note 15 - Subsequent event

Subsequent to June 30, 2020 the System entered into a lease for new equipment. The lease requires 60 monthly payments of \$7,966 through September 2025.