

PUBLIC DISCLOSURE COPY

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

Department of the Treasury
Internal Revenue Service

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

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

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

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

Type or print	Name of exempt organization or other filer, see instructions. MARSHALL COUNTY MEMORIAL HOSPITAL	Taxpayer identification number (TIN) 46-0380552
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 413 9TH STREET	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. BRITTON, SD 57430	

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

PATTY ROEHR

- The books are in the care of ▶ **413 9TH STREET - BRITTON, SD 57430**
Telephone No. ▶ **605-448-1125** 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 16, 2022**, 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, 2020**, and ending **JUN 30, 2021**.

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.

Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

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

2020

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

A For the 2020 calendar year, or tax year beginning **JUL 1, 2020** and ending **JUN 30, 2021**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization MARSHALL COUNTY MEMORIAL HOSPITAL Doing business as MARSHALL COUNTY HEALTHCARE CENTE Number and street (or P.O. box if mail is not delivered to street address) Room/suite 413 9TH STREET City or town, state or province, country, and ZIP or foreign postal code BRITTON, SD 57430 F Name and address of principal officer: NICK FOSNESS SAME AS C ABOVE	D Employer identification number 46-0380552 E Telephone number 605-448-2253 G Gross receipts \$ 14,896,379. H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. See instructions H(c) Group exemption number ▶
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: ▶ MCHCAVERA.ORG		
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		
		L Year of formation: 1983
		M State of legal domicile: SD

Part I Summary

	1 Briefly describe the organization's mission or most significant activities: TO PROVIDE HEALTHCARE SERVICES.		
Activities & Governance	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	9
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	9
	5 Total number of individuals employed in calendar year 2020 (Part V, line 2a)	5	143
	6 Total number of volunteers (estimate if necessary)	6	22
	7 a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
	b Net unrelated business taxable income from Form 990-T, Part I, line 11	7b	0.
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 192,170.	Current Year 4,530,328.
	9 Program service revenue (Part VIII, line 2g)	8,972,446.	10,121,978.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	104,511.	242,966.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0.	0.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	9,269,127.	14,895,272.
	Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	2,947.
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)		5,692,359.	6,034,712.
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)		3,293,933.	3,980,357.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	8,989,239.	10,017,178.	
19 Revenue less expenses. Subtract line 18 from line 12	279,888.	4,878,094.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year 15,640,763.	End of Year 17,206,820.
	21 Total liabilities (Part X, line 26)	4,902,207.	892,285.
	22 Net assets or fund balances. Subtract line 21 from line 20	10,738,556.	16,314,535.

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 PATTY ROEHR, CHIEF FINANCIAL OFFICER Type or print name and title	Date _____			
Paid Preparer Use Only	Print/Type preparer's name LAURIE HANSON, CPA	Preparer's signature LAURIE HANSON, CPA	Date 02/10/22	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

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: THE MISSION OF MARSHALL COUNTY HEALTHCARE CENTER IS TO OVERSEE THAT THE FULL CONTINUUM OF QUALITY HEALTHCARE SERVICES IS MADE AVAILABLE TO THE PEOPLE IN ITS REGION.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [] Yes [X] No

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

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

4a (Code:) (Expenses \$ 8,498,648. including grants of \$ 2,109.) (Revenue \$ 10,121,978.) MARSHALL COUNTY HEALTHCARE CENTER OPERATES A 20-BED ACUTE CARE HOSPITAL, A 25 UNIT ASSISTED LIVING FACILITY, & A PROVIDER BASED, RURAL HEALTH CLINIC LOCATED IN BRITTON, SOUTH DAKOTA. HEALTH CARE SERVICES INCLUDE ACUTE INPATIENT CARE, SWING BED CARE AND OUTPATIENT & CLINIC SERVICES. FOR YEAR ENDED JUNE 30, 2021, THE AMOUNTS AND TYPES OF CARE PROVIDED WERE: 535 ACUTE PATIENT DAYS; 470 SWING-BED DAYS; 4,862 CLINIC VISITS, AND 5,669 ASSISTED LIVING DAYS.

MCHC PROVIDES HEALTH CARE SERVICES TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS CHARITY CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAT ESTABLISHED RATES. (CONTINUED ON SCHEDULE O)

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 8,498,648.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	X	
10 Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	X	
c Did the organization report an amount for investments - program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>		X
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	X	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	X	
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X

Part IV Checklist of Required Schedules (continued)

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

Note: All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

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

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

		Yes	No
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
	2a		143
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
b	If "Yes," enter the name of the foreign country See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d	If "Yes," indicate the number of Forms 8282 filed during the year		
	7d		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the sponsoring organization make any taxable distributions under section 4966?		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note: See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
c	Enter the amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?		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? If "Yes," see instructions and file Form 4720, Schedule N.	15	X
16	Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.	16	X

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

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.		
1b	Enter the number of voting members included on line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?		X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		X
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8a	The governing body?	X	
8b	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
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	X	
15b	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
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **NONE**
- 18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain 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 **PATY ROEHR - 605-448-1125**
413 9TH STREET, BRITTON, SD 57430

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

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

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations. 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) NICK FOSNESS CEO	40.00			X			174,189.	0.	34,145.	
(2) AMANDA SCHMIEG NURSE PRACTITIONER	36.00				X		158,722.	0.	19,109.	
(3) SARA RAABE NURSE PRACTITIONER	36.00				X		152,008.	0.	17,770.	
(4) JILL ZUEHLKE NURSE PRACTITIONER	36.00				X		142,150.	0.	17,195.	
(5) PATTY ROEHR CFO	40.00			X			113,685.	0.	14,652.	
(6) ADRIAN HEITMANN PRESIDENT	0.30	X		X			0.	0.	0.	
(7) SHANNON LEE VICE PRESIDENT	0.10	X		X			0.	0.	0.	
(8) SHANNON WEGLEITNER SECRETARY/TREASURER	0.10	X		X			0.	0.	0.	
(9) BJ RICHTER TRUSTEE	0.10	X					0.	0.	0.	
(10) LERON KNEBEL TRUSTEE	0.10	X					0.	0.	0.	
(11) RYAN SMITH TRUSTEE	0.10	X					0.	0.	0.	
(12) JACK WALDNER TRUSTEE	0.10	X					0.	0.	0.	
(13) ROGER FURMAN TRUSTEE	0.10	X					0.	0.	0.	
(14) TOM SNYDER TRUSTEE	0.10	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			
1b Subtotal							740,754.	0.	102,871.	
c Total from continuation sheets to Part VII, Section A							0.	0.	0.	
d Total (add lines 1b and 1c)							740,754.	0.	102,871.	

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 **4**

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
AVERA ST. LUKE'S 305 SOUTH STATE STREET, ABERDEEN, SD 57401	ADMIN, IT, AND OTHER SERVICES	1,310,956.
BWBR ARCHITECTS INC. 380 ST PETER ST, ST. PAUL, MN 55102	CONSTRUCTION DESIGN	423,394.
CDJ ELECTRIC PLUMBING & HEATING 11059 SD HWY 27, BRITTON, SD 57430	REPAIRS	418,940.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **3**

Part VIII Statement of Revenue

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

				(A)	(B)	(C)	(D)	
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e	4,528,328.				
	f	All other contributions, gifts, grants, and similar amounts not included above ...	1f	2,000.				
	g	Noncash contributions included in lines 1a-1f	1g	\$				
	h	Total. Add lines 1a-1f			4,530,328.			
Program Service Revenue	2 a	PATIENT SERVICE FEES	Business Code	621110	9,147,739.	9,147,739.		
	b	ASSISTED LIVING CARE		623990	503,192.	503,192.		
	c	PHARMACY REVENUE		623990	377,681.	377,681.		
	d							
	e							
	f	All other program service revenue		900099	93,366.	93,366.		
	g	Total. Add lines 2a-2f			10,121,978.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)			9,036.		9,036.	
	4	Income from investment of tax-exempt bond proceeds						
	5	Royalties						
	6 a	Gross rents	6a	(i) Real	(ii) Personal			
	b	Less: rental expenses ...	6b					
	c	Rental income or (loss)	6c					
	d	Net rental income or (loss)						
	7 a	Gross amount from sales of assets other than inventory	7a	(i) Securities	(ii) Other	233,037.	2,000.	
	b	Less: cost or other basis and sales expenses	7b	0.	1,107.			
c	Gain or (loss)	7c	233,037.	893.				
d	Net gain or (loss)			233,930.		233,930.		
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	11 a		Business Code					
	b							
	c							
	d	All other revenue						
	e	Total. Add lines 11a-11d						
12	Total revenue. See instructions			14,895,272.	10,121,978.	0.	242,966.	

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...	2,109.	2,109.		
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	328,809.		328,809.	
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	4,170,178.	3,854,663.	315,515.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	224,538.	207,353.	17,185.	
9 Other employee benefits	1,000,292.	910,236.	90,056.	
10 Payroll taxes	310,895.	279,687.	31,208.	
11 Fees for services (nonemployees):				
a Management				
b Legal				
c Accounting	54,837.		54,837.	
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.)	1,113,484.	957,565.	155,919.	
12 Advertising and promotion	9,166.	428.	8,738.	
13 Office expenses	550,764.	480,910.	69,854.	
14 Information technology	280,555.	48,465.	232,090.	
15 Royalties				
16 Occupancy	119,200.	103,612.	15,588.	
17 Travel	40,592.	38,793.	1,799.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings	23,271.	22,321.	950.	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	521,698.	442,919.	78,779.	
23 Insurance	51,118.		51,118.	
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	645,633.	645,591.	42.	
b EQUIPMENT AND MAINTENAN	303,046.	291,219.	11,827.	
c DUES AND SUBSCRIPTIONS	25,083.	15,615.	9,468.	
d _____				
e All other expenses _____	241,910.	197,162.	44,748.	
25 Total functional expenses. Add lines 1 through 24e	10,017,178.	8,498,648.	1,518,530.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

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

Part X Balance Sheet

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

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing		1	
	2 Savings and temporary cash investments	4,773,575.	2	4,602,378.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	994,441.	4	1,169,370.
	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		7	
	8 Inventories for sale or use	170,690.	8	203,007.
	9 Prepaid expenses and deferred charges	21,841.	9	30,792.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 9,497,696.		
	b Less: accumulated depreciation	10b 4,762,796.	10c	4,734,900.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11	5,285,451.	12	6,216,373.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	495,000.	15	250,000.
16 Total assets. Add lines 1 through 15 (must equal line 33)	15,640,763.	16	17,206,820.	
Liabilities	17 Accounts payable and accrued expenses	747,234.	17	792,035.
	18 Grants payable		18	
	19 Deferred revenue	3,270,223.	19	100,000.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	250.	21	250.
	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		23	
	24 Unsecured notes and loans payable to unrelated third parties	884,500.	24	0.
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25	4,902,207.	26	892,285.
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	10,711,056.	27	16,281,299.
	28 Net assets with donor restrictions	27,500.	28	33,236.
	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	10,738,556.	32	16,314,535.
	33 Total liabilities and net assets/fund balances	15,640,763.	33	17,206,820.

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	14,895,272.
2	Total expenses (must equal Part IX, column (A), line 25)	2	10,017,178.
3	Revenue less expenses. Subtract line 2 from line 1	3	4,878,094.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	10,738,556.
5	Net unrealized gains (losses) on investments	5	653,296.
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	44,589.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	16,314,535.

Part XII Financial Statements and Reporting

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

- 1 Accounting method used to prepare the Form 990: Cash Accrual Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- b Were the organization's financial statements audited by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- 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

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury Internal Revenue Service

Public Charity Status and Public Support Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust. Attach to Form 990 or Form 990-EZ. Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2020

Open to Public Inspection

Name of the organization: MARSHALL COUNTY MEMORIAL HOSPITAL Employer identification number: 46-0380552

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

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

- 1 [] A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
2 [] A school described in section 170(b)(1)(A)(ii).
3 [X] A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
4 [] A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii).
5 [] An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv).
6 [] A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
7 [] An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi).
8 [] A community trust described in section 170(b)(1)(A)(vi).
9 [] An agricultural research organization described in section 170(b)(1)(A)(ix) operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture.
10 [] An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions...
11 [] An organization organized and operated exclusively to test for public safety.
12 [] An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations...
a [] Type I. A supporting organization operated, supervised, or controlled by its supported organization(s)...
b [] Type II. A supporting organization supervised or controlled in connection with its supported organization(s)...
c [] Type III functionally integrated. A supporting organization operated in connection with, and functionally integrated with, its supported organization(s)...
d [] Type III non-functionally integrated. A supporting organization operated in connection with its supported organization(s) that is not functionally integrated...
e [] Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
f Enter the number of supported organizations []
g Provide the following information about the supported organization(s).

Table with 6 columns: (i) Name of supported organization, (ii) EIN, (iii) Type of organization, (iv) Is the organization listed in your governing document?, (v) Amount of monetary support, (vi) Amount of other support. Includes a Total row at the bottom.

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) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(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) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(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 5 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 2020 (line 6, column (f), divided by line 11, column (f))	14	%
15 Public support percentage from 2019 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2020. 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 - 2019. 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 - 2020. 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 - 2019. 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) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(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) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(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 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ►

Section C. Computation of Public Support Percentage

15 Public support percentage for 2020 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2019 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2020 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2019 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2020. 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 - 2019. 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 box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, 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 lines 3b and 3c 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 box 12a or 12b in Part I, answer lines 4b and 4c 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 lines 5b and 5c 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 line 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 lines 11b and 11c below, the governing body of a supported organization?		
11a		
b A family member of a person described in line 11a above?		
11b		
c A 35% controlled entity of a person described in line 11a or 11b above? <i>If "Yes" to line 11a, 11b, or 11c, provide detail in Part VI.</i>		
11c		

Section B. Type I Supporting Organizations

	Yes	No
1 Did the governing body, members of the governing body, officers acting in their official capacity, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's officers, 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 officers, 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 line 2, above, 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 governmental entity (see instructions).		
2 Activities Test. Answer lines 2a and 2b 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>	Yes	No
2a		
b Did the activities described in line 2a, above, 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 lines 3a and 3b 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>If "Yes" or "No" 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 (<i>explain in detail in Part VI</i>):		
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 0.015 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 0.035.	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 0.85 of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

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

Section D - Distributions		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	1
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	3
4	Amounts paid to acquire exempt-use assets	4
5	Qualified set-aside amounts (prior IRS approval required - <i>provide details in Part VI</i>)	5
6	Other distributions (<i>describe in Part VI</i>). See instructions.	6
7	Total annual distributions. Add lines 1 through 6.	7
8	Distributions to attentive supported organizations to which the organization is responsive (<i>provide details in Part VI</i>). See instructions.	8
9	Distributable amount for 2020 from Section C, line 6	9
10	Line 8 amount divided by line 9 amount	10

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2020	(iii) Distributable Amount for 2020
1 Distributable amount for 2020 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2020 (reasonable cause required - <i>explain in Part VI</i>). See instructions.			
3 Excess distributions carryover, if any, to 2020			
a From 2015			
b From 2016			
c From 2017			
d From 2018			
e From 2019			
f Total of lines 3a through 3e			
g Applied to underdistributions of prior years			
h Applied to 2020 distributable amount			
i Carryover from 2015 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from line 3f.			
4 Distributions for 2020 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2020 distributable amount			
c Remainder. Subtract lines 4a and 4b from line 4.			
5 Remaining underdistributions for years prior to 2020, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
6 Remaining underdistributions for 2020. Subtract lines 3h and 4b from line 1. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
7 Excess distributions carryover to 2021. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2016			
b Excess from 2017			
c Excess from 2018			
d Excess from 2019			
e Excess from 2020			

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

2020

Open to Public Inspection

Name of the organization **MARSHALL COUNTY MEMORIAL HOSPITAL** Employer identification number **46-0380552**

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

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
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange program
 - e Other _____
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

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

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	25,904.	26,065.	25,172.	24,212.	
b Contributions					24,212.
c Net investment earnings, gains, and losses	4,324.	-161.	893.	960.	
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	30,228.	25,904.	26,065.	25,172.	24,212.

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment .0000 %
 - b Permanent endowment 55.6000 %
 - c Term endowment 44.4000 %
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|---|-------------------------------------|-------------------------------------|
| (i) Unrelated organizations | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (ii) Related organizations | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
- 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	105,558.	259,774.		365,332.
b Buildings				
c Leasehold improvements		5,018,737.	3,000,561.	2,018,176.
d Equipment		3,679,781.	1,762,235.	1,917,546.
e Other		433,846.		433,846.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				4,734,900.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely held equity interests		
(3) Other		
(A) INTEREST IN AVERA HEALTH		
(B) FOUNDATION	289,778.	END-OF-YEAR MARKET VALUE
(C) INTEREST IN AVERA POOLED		
(D) INVESTMENT FUND	5,926,595.	END-OF-YEAR MARKET VALUE
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶	6,216,373.	

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

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

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

Part X Other Liabilities.

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under 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	15,593,157.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	653,296.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	44,589.
e	Add lines 2a through 2d	2e	697,885.
3	Subtract line 2e from line 1	3	14,895,272.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	14,895,272.

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	10,017,178.
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	10,017,178.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	10,017,178.

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 V, LINE 4:

THE ENDOWMENT FUNDS ARE RESTRICTED FOR USE AT SPRUCE COURT ASSISTED LIVING.

PART X, LINE 2:

THE CENTER BELIEVES THAT IT HAS APPROPRIATE SUPPORT FOR ANY TAX POSITIONS TAKEN AFFECTING ITS ANNUAL FILING REQUIREMENTS, AND AS SUCH, DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS THAT ARE MATERIAL TO THE FINANCIAL STATEMENTS. THE CENTER WOULD RECOGNIZE FUTURE ACCRUED INTEREST AND PENALTIES RELATED TO UNRECOGNIZED TAX BENEFITS AND LIABILITIES IN INCOME TAX EXPENSE IF SUCH INTEREST AND PENALTIES ARE INCURRED.

**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

2020

Open to Public Inspection

Name of the organization **MARSHALL COUNTY MEMORIAL HOSPITAL** Employer identification number **46-0380552**

Part I Financial Assistance and Certain Other Community Benefits at Cost

	Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	<input checked="" type="checkbox"/>	
b If "Yes," was it a written policy?	<input checked="" type="checkbox"/>	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>250</u> %	<input checked="" type="checkbox"/>	
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 _____ %	<input checked="" type="checkbox"/>	
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	<input checked="" type="checkbox"/>	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		<input checked="" type="checkbox"/>
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
6a Did the organization prepare a community benefit report during the tax year?		<input checked="" type="checkbox"/>
b If "Yes," did the organization make it available to the public?		

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Financial Assistance and Certain Other Community Benefits at Cost

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)		24	17,000.		17,000.	.17%
b Medicaid (from Worksheet 3, column a)		174	174,637.	152,428.	22,209.	.22%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total. Financial Assistance and Means-Tested Government Programs		198	191,637.	152,428.	39,209.	.39%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		3,418	51,571.	43,529.	8,042.	.08%
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)		1,293	186,430.	117,350.	69,080.	6.90%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)		713	6,168.		6,168.	.06%
j Total. Other Benefits		5,424	192,204.	121,703.	70,501.	7.04%
k Total. Add lines 7d and 7j		5,622	211,363.	136,946.	74,429.	7.43%

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 MARSHALL COUNTY MEMORIAL HOSPITAL

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

	Yes	No
Community Health Needs Assessment		
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?		X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C		X
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12	X	
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>18</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	X	
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C		X
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C		X
7 Did the hospital facility make its CHNA report widely available to the public?	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>SEE 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	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>18</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	X	
a If "Yes," (list url): <u>SEE PART V SECTION C</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?		
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?		X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?		
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V Facility Information (continued)

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group MARSHALL COUNTY MEMORIAL HOSPITAL

		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
13	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?	X	
If "Yes," indicate the eligibility criteria explained in the FAP:			
a	<input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>250</u> % and FPG family income limit for eligibility for discounted care of <u>400</u> %		
b	<input type="checkbox"/> Income level other than FPG (describe in Section C)		
c	<input checked="" type="checkbox"/> Asset level		
d	<input checked="" type="checkbox"/> Medical indigency		
e	<input checked="" type="checkbox"/> Insurance status		
f	<input type="checkbox"/> Underinsurance status		
g	<input type="checkbox"/> Residency		
h	<input checked="" type="checkbox"/> Other (describe in Section C)		
14	Explained the basis for calculating amounts charged to patients?	X	
15	Explained the method for applying for financial assistance?	X	
If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):			
a	<input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
b	<input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c	<input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d	<input checked="" type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e	<input type="checkbox"/> Other (describe in Section C)		
16	Was widely publicized within the community served by the hospital facility?	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
a	<input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>SEE PART V, 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 checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations		
j	<input checked="" type="checkbox"/> Other (describe in Section C)		

Part V Facility Information (continued)

Billing and Collections

Name of hospital facility or letter of facility reporting group MARSHALL COUNTY MEMORIAL HOSPITAL

	Yes	No
17 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon nonpayment?	X	
18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:		
a <input type="checkbox"/> Reporting to credit agency(ies)		
b <input type="checkbox"/> Selling an individual's debt to another party		
c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
d <input type="checkbox"/> Actions that require a legal or judicial process		
e <input type="checkbox"/> Other similar actions (describe in Section C)		
f <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted		
19 Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?		X
If "Yes," check all actions in which the hospital facility or a third party engaged:		
a <input type="checkbox"/> Reporting to credit agency(ies)		
b <input type="checkbox"/> Selling an individual's debt to another party		
c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
d <input type="checkbox"/> Actions that require a legal or judicial process		
e <input type="checkbox"/> Other similar actions (describe in Section C)		
20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (check all that apply):		
a <input checked="" type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs (if not, describe in Section C)		
b <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process (if not, describe in Section C)		
c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications (if not, describe in Section C)		
d <input checked="" type="checkbox"/> Made presumptive eligibility determinations (if not, describe in Section C)		
e <input type="checkbox"/> Other (describe in Section C)		
f <input type="checkbox"/> None of these efforts were made		

Policy Relating to Emergency Medical Care

21 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	X	
If "No," indicate why:		
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b <input type="checkbox"/> The hospital facility's policy was not in writing		
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)		
d <input type="checkbox"/> Other (describe in Section C)		

Part V Facility Information *(continued)*

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

Name of hospital facility or letter of facility reporting group MARSHALL COUNTY MEMORIAL HOSPITAL

	Yes	No
22 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.		
a <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period		
b <input checked="" type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
c <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
d <input type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method		
23 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	23	X
If "Yes," explain in Section C.		
24 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	24	X
If "Yes," explain in Section C.		

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.

MARSHALL COUNTY MEMORIAL HOSPITAL:

PART V, SECTION B, LINE 5: THE CHNA COMMITTEE GATHERED QUALITATIVE DATA BY CONDUCTING FIVE FOCUS GROUPS AND THREE KEY INTERVIEWS. THESE WERE COMPLETED IN OCTOBER AND NOVEMBER OF 2018. THE CHNA PROCESS INCLUDED INPUT FROM MINORITY, LOW-INCOME, AND MEDICALLY UNDERSERVED POPULATIONS AS WELL AS A VARIETY OF OTHER COMMUNITY STAKEHOLDERS.

THE U.S. CENSUS BUREAU'S RACE STATISTICS FOR MARSHALL COUNTY INDICATE TWO MINORITY GROUPS WITH POPULATIONS OF SIGNIFICANCE. THE HISPANIC OR LATINO GROUP MAKES UP 7.4 PERCENT OF THE POPULATION, AND THE AMERICAN INDIAN OR ALASKAN NATIVE GROUP ACCOUNTS FOR 7.3 PERCENT. THE POPULATIONS OF THESE MINORITY GROUPS ARE HIGHER IN THE NORTHEASTERN MARSHALL COUNTY TOWN OF VELEN, S.D. THE MOST CURRENT DATA CONFIRMED THAT IS STILL THE CASE. THEREFORE, ONE OF THE INTERVIEWS WAS CONDUCTED WITH A COMMUNITY LEADER AND BUSINESS OWNER IN VELEN. THIS INTERVIEW FOCUSED ON THE NEEDS OF THE HISPANIC OR LATINO POPULATION. A SECOND INTERVIEW WAS CONDUCTED WITH THE ADMINISTRATOR OF TRIBAL HEALTH PROGRAMS FOR THE SISSETON-WAHPETON OYATE OF THE LAKE TRAVERSE RESERVATION. THE INTERVIEWS PROVIDED PERSPECTIVE FROM THE AMERICAN INDIAN AND ALASKAN NATIVE POPULATIONS.

A THIRD INTERVIEW WAS CONDUCTED WITH TWO EMPLOYEES OF THE LOCAL COMMUNITY HEALTH NURSE OFFICE TO GATHER INPUT ON BEHALF OF THE LOW INCOME POPULATION. THEIR EXPERIENCE WITH LOW-INCOME FAMILIES, INCLUDING WIC AND SNAP RECIPIENTS, GIVES THEM UNIQUE INSIGHT INTO THE NEEDS OF THIS PARTICULAR POPULATION.

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.

ACCORDING TO THE HEALTH RESOURCES AND SERVICES ADMINISTRATION WEBSITE, [HTTPS://DATA.HRSA.GOV](https://data.hrsa.gov), THE WHOLE OF MARSHALL COUNTY HAS BEEN DESIGNATED A MEDICALLY UNDERSERVED AREA. THEREFORE, THE COMMITTEE CONCLUDED THAT ANY RESIDENTS FROM MARSHALL COUNTY GIVING FEEDBACK VIA FOCUS GROUPS AND INTERVIEWS WOULD PROVIDE INPUT OF THIS MEDICALLY UNDERSERVED POPULATION. OTHER STAKEHOLDERS REPRESENTED BY THOSE WHO ATTENDED THE FOCUS GROUPS INCLUDED INDIVIDUALS FROM BRITTON CITY COUNCIL, BRITTON AREA HOSPICE, BRITTON MINISTERIAL ASSOCIATION, SEVERAL LOCAL BUSINESSES, LOCAL FARMERS, BRITTON-HECLA SCHOOL, LANGFORD AREA SCHOOL, BRITTON AREA CHAMBER OF COMMERCE, MARSHALL COUNTY WOW (WORKING ON WELLNESS) COALITION, BRITTON LIONS CLUB, MARSHALL COUNTY COMMISSION, BRITTON AREA FOUNDATION, GROW SOUTH DAKOTA, GLACIAL LAKES AREA DEVELOPMENT, RETIREES, MARSHALL COUNTY UNIT OF THE AMERICAN CANCER SOCIETY, NORTH MARSHALL FIRE DEPARTMENT, WHEATCREST HILLS, AND MARSHALL COUNTY HEALTHCARE CENTER.

THE FOCUS GROUPS WERE CONDUCTED BY TWO VOLUNTEER COMMUNITY LEADERS, AND A MEMBER OF THE CHNA COMMITTEE ATTENDED TO ACT AS A SCRIBE. A ONE-PAGE HANDOUT WAS PROVIDED TO FOCUS GROUP ATTENDEES, AND A LIST OF TOPICS DISCUSSED WAS RECORDED FOR EACH GROUP. THE SAME HANDOUT AND LIST OF QUESTIONS WAS USED, AS APPROPRIATE, IN CONDUCTING THE KEY INTERVIEWS.

MARSHALL COUNTY MEMORIAL HOSPITAL:

PART V, SECTION B, LINE 6B: COMMUNITY HEALTH NURSE, MARSHALL COUNTY MEDICAL CLINIC. OTHER HEALTH CARE PROVIDERS SUCH AS VISION AND DENTAL.

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.

MARSHALL COUNTY MEMORIAL HOSPITAL:

PART V, SECTION B, LINE 11: AS PART OF THE CHNA, THE COMMITTEE DISCUSSED THE DATA GATHERED AND CAME TO A CONSENSUS, RANKING THE HEALTH NEEDS OF MARSHALL COUNTY AS FOLLOWS:

- 1) MENTAL/BEHAVIORAL HEALTH SERVICES
- 2) MAINTAINING EMT/AMBULANCE SERVICE
- 3) WEIGHT MANAGEMENT
- 4) COMMUNITY EDUCATION

THE COMMITTEE HAS SET THE FOLLOWING GOALS TO ADDRESS COMMUNITY HEALTH NEEDS:

- IMPROVE MENTAL/BEHAVIORAL HEALTH SERVICES THROUGH MULTIPLE ACTIONS INCLUDING EDUCATION OF STAFF AND PATIENTS AND COLLABORATION WITH OTHER PROVIDERS.
- COLLABORATE WITH MARSHALL COUNTY AMBULANCE TO HELP ENSURE THE CONTINUATION OF AMBULANCE SERVICES.
- CONTINUE TO PROMOTE WEIGHT MANAGEMENT THROUGH SUPPORT OF THE MARSHALL COUNTY WOW (WORKING ON WELLNESS) COALITION AND THE MCHC WELLNESS CENTER.
- DEVELOP AND IMPLEMENT A COMMUNITY EDUCATION STRATEGY AROUND A VARIETY OF HEALTH-RELATED TOPICS.

ACTION PLANS

- 1) IMPROVE MENTAL/BEHAVIORAL HEALTH SERVICES: MARSHALL COUNTY HEALTHCARE CENTER AVERA WILL TAKE THREE SPECIFIC ACTIONS TOWARD THIS GOAL:
 - A. ENSURE THAT A MENTAL HEALTH FIRST AID CLASS IS HELD IN BRITTON OR LANGFORD AT LEAST ONCE PER FISCAL YEAR BY PROVIDING STAFF TIME TO ORGANIZE AND ADVERTISE THE CLASS, THE FACILITY TO HOLD THE CLASS, AND FINANCIAL

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.

SUPPORT OF THE CLASS IF OTHER GRANT OR SPONSORSHIP FUNDING SOURCES CANNOT BE SECURED. MULTIPLE ATTEMPTS WERE MADE TO SCHEDULE THIS CLASS, BUT AGAIN, DUE TO COVID-19, THE CLASS WAS UNABLE TO BE HELD.

B. MEET ANNUALLY WITH LEADERSHIP FROM NORTHEASTERN MENTAL HEALTH CENTER OF ABERDEEN (NEMH) TO DISCUSS PARTNERSHIP OPTIONS WITH THE GOAL OF INCREASING THE NUMBER OF HOURS A COUNSELOR IS AVAILABLE IN THE AREA. THE HR DIRECTOR SERVES ON THE NEMH BOARD OF DIRECTORS AND IS IN CONTACT WITH LEADERSHIP 4-6 TIMES PER YEAR TO WORK ON THIS GOAL. THE UPSIDE OF THE PANDEMIC IS THAT NEMH IS NOW ABLE TO OFFER VIRTUAL VISITS, WHICH MAKES IN PERSON TIME IN THE AREA LESS OF A CONCERN.

C. IN PARTNERSHIP WITH AVERA ECARE BEHAVIORAL HEALTH, OFFER VIRTUAL BEHAVIORAL HEALTH APPOINTMENTS VIA TELEMEDICINE TECHNOLOGY. BECAUSE THIS PROGRAM IS NEW TO THE FACILITY, THE NUMBER OF VISITS WILL BE TRACKED ANNUALLY TO ASSESS ITS IMPACT. REPORTING TO DATE INCLUDES 32 VISITS IN 2019 AND 18 VISITS IN 2020.

2) COLLABORATE WITH MARSHALL COUNTY AMBULANCE: MARSHALL COUNTY HEALTHCARE CENTER AVERA WILL CONTINUE TO COLLABORATE WITH MARSHALL COUNTY AMBULANCE SERVICE BY PROVIDING LAUNDRY SERVICE AT NO COST, ASSISTING WITH AMBULANCE PAGING, PAYING RNS TO ACCOMPANY PATIENTS WHEN TREATMENT FOR THE TRANSPORT EXCEEDS AN EMT'S SCOPE OF PRACTICE, AND PROMOTING EMT AND PARAMEDIC CAREERS THROUGH THE HIPE PROGRAM. ADDITIONALLY, THE CEO WILL MEET TWICE ANNUALLY WITH MARSHALL COUNTY AMBULANCE PERSONNEL TO ASSESS EMT RECRUITING NEEDS AND OPTIONS. MCHC HAS MET WITH MC AMBULANCE PERSONNEL AS PLANNED. AN UPCOMING EMT CLASS IS PLANNED FOR FY 2022.

3) CONTINUE TO PROMOTE WEIGHT MANAGEMENT: MARSHALL COUNTY HEALTHCARE

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.

CENTER AVERA WILL CONTINUE TO SUPPORT THE MARSHALL COUNTY WORKING ON WELLNESS (WOW) COALITION WITH AN ANNUAL FINANCIAL DONATION OF \$1500 AND BY PAYING EMPLOYEES FOR TIME DEDICATED TO COALITION MEETINGS AND EVENTS. MEMBERSHIP RATES FOR THE WELLNESS CENTER HAVE RECENTLY BEEN LOWERED FROM \$25 TO \$20 PER MONTH TO ENCOURAGE INCREASED ACTIVITY IN THE COMMUNITY. FINALLY, THE FACILITY WILL EXPLORE THE FEASIBILITY OF EMPLOYING A COMMUNITY RESOURCE NURSE TO BE AVAILABLE TO THOSE SEEKING WEIGHT MANAGEMENT SOLUTIONS.

MCHC HAD CONTRIBUTED TO THE WOW COALITION, AS PLANNED, BUT THE WELLNESS CENTER IS CLOSED DUE TO THE COVID-19 PANDEMIC. MCHC HAS WORKED WITH THE CITY OF BRITTON TO PROVIDE SOME EQUIPMENT AT THE BRITTON AREA EVENT CENTER FOR PUBLIC USE FREE OF CHARGE. WITH NURSING SHORTAGES, THE COMMUNITY RESOURCE NURSE IDEA HAS BEEN TABLED.

4) DEVELOP AND IMPLEMENT A COMMUNITY EDUCATION STRATEGY: AT LEAST TWICE PER YEAR, MARSHALL COUNTY HEALTHCARE CENTER AVERA WILL PRODUCE AND DISTRIBUTE A PUBLIC SERVICE ANNOUNCEMENT ABOUT A HEALTH-RELATED TOPIC. SUCH TOPICS MAY INCLUDE SIGNS OF STROKE, CPR, WEIGHT MANAGEMENT, DIABETES, MENTAL HEALTH, SMOKING CESSATION, OR THE LIKE. RESOURCES COMMITTED TO THIS ACTION STEP WILL INCLUDE STAFF TIME TO CREATE AND DISTRIBUTE THE PUBLIC SERVICE ANNOUNCEMENT AND THE FINANCIAL COST OF DISTRIBUTION. DURING FY21, THE PUBLIC SERVICE ANNOUNCEMENTS FOCUSED PRIMARILY ON COVID-19 VACCINATION.

MARSHALL COUNTY MEMORIAL HOSPITAL:

PART V, SECTION B, LINE 13H: THE METHODOLOGY USED TO DETERMINE ELIGIBILITY

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.

FOR FINANCIAL ASSISTANCE TAKES INTO CONSIDERATION INCOME, NET ASSETS, FAMILY SIZE AND RESOURCES AVAILABLE TO PAY FOR CARE. IN ADDITION, PRESUMPTIVE CHARITY CARE MAY BE APPLIED IN SITUATIONS WHERE ALL OTHER AVENUES HAVE BEEN EXHAUSTED.

MARSHALL COUNTY MEMORIAL HOSPITAL:

PART V, SECTION B, LINE 16J: A SUMMARY OF THE POLICY ALONG WITH INFORMATION ON HOW TO APPLY FOR FINANCIAL ASSISTANCE IS PROVIDED IN THE EMERGENCY ROOM, AT ADMISSIONS, AND WITH BILLING INVOICES.

PART V, SECTION B, LINE 7A

THE COMMUNITY HEALTH NEEDS ASSESSMENT IS AVAILABLE AT [HTTPS://WWW.AVERA.ORG/ABOUT/COMMUNITY-HEALTH-NEEDS-ASSESSMENTS/#MARSHALL COUNTY](https://www.avera.org/about/community-health-needs-assessments/#marshall-county)

PART V, SECTION B, LINE 10A

THE IMPLEMENTATION STRATEGY IS AVAILABLE UPON REQUEST AND AT [HTTPS://WWW.AVERA.ORG/ABOUT/COMMUNITY-HEALTH-NEEDS-ASSESSMENTS/#MARSHALL COUNTY](https://www.avera.org/about/community-health-needs-assessments/#marshall-county)

PART V, SECTION B, LINE 16A

THE FINANCIAL ASSISTANCE POLICY IS AVAILABLE AT: [HTTPS://WWW.AVERA.ORG/PATIENTS-VISITORS/CHARITY-PATIENT-ASSISTANCE-PROGRAMS/FINANCIAL-ASSISTANCE-FORMS/](https://www.avera.org/patients-visitors/charity-patient-assistance-programs/financial-assistance-forms/)

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.

PART V, SECTION B, LINE 16B

THE FINANCIAL ASSISTANCE APPLICATION IS AVAILABLE AT:

[HTTPS://WWW.AVERA.ORG/PATIENTS-VISITORS/CHARITY-PATIENT-ASSISTANCE-PROGRAMS/FINANCIAL-ASSISTANCE-FORMS/](https://www.avera.org/patients-visitors/charity-patient-assistance-programs/financial-assistance-forms/)

PART V, SECTION B, LINE 16C

THE PLAIN LANGUAGE SUMMARY IS AVAILABLE AT:

[HTTPS://WWW.AVERA.ORG/PATIENTS-VISITORS/CHARITY-PATIENT-ASSISTANCE-PROGRAMS/FINANCIAL-ASSISTANCE-FORMS/](https://www.avera.org/patients-visitors/charity-patient-assistance-programs/financial-assistance-forms/)

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:

THE METHODOLOGY USED TO DETERMINE ELIGIBILITY FOR FINANCIAL ASSISTANCE TAKES INTO CONSIDERATION INCOME, NET ASSETS, FAMILY SIZE AND RESOURCES AVAILABLE TO PAY FOR CARE. IN ADDITION, PRESUMPTIVE CHARITY CARE MAY BE APPLIED IN SITUATIONS WHERE ALL OTHER AVENUES HAVE BEEN EXHAUSTED.

PART I, LINE 7:

LINE 7A, CHARITY CARE EXPENSE WAS CONVERTED TO COST BASED ON AN OVERALL COST-TO-CHARGE RATIO WHICH ADDRESSES ALL PATIENT SEGMENTS.

LINE 7B, UNREIMBURSED MEDICAID WAS CALCULATED USING THE COSTING METHODS TO PREPARE THE COST REPORTS.

LINES 7E AND 7I WERE BASED ON THE ACTUAL COSTS REPORTED IN THE GENERAL LEDGER.

LINE 7G, SUBSIDIZED HEALTH SERVICES WERE CALCULATED USING THE MEDICARE COST REPORT.

Part VI Supplemental Information (Continuation)

PART II, COMMUNITY BUILDING ACTIVITIES:

MARSHALL COUNTY HEALTHCARE CENTER (MCHC) IS INVOLVED IN COMMUNITY SUPPORT BY PROVIDING DONATION/SUPPORT TO THE LOCAL FOOD PANTRY DRIVE, SHRINERS, NORTHERN FORT PLAYHOUSE AND BRITTON EVENT CENTER.

PART III, LINE 2:

THE AMOUNT ON LINE 2 REPRESENTS IMPLICIT PRICE CONCESSIONS. THE ORGANIZATION DETERMINES ITS ESTIMATE OF IMPLICIT PRICE CONCESSIONS BASED ON ITS HISTORICAL COLLECTION EXPERIENCE WITH THE RESPECTIVE CLASS OF PATIENTS.

PART III, LINE 3:

THE ESTIMATED AMOUNT OF THE ORGANIZATION'S IMPLICIT PRICE CONCESSIONS ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE POLICY IS CALCULATED BASED ON THE PERCENTAGE OF INDIVIDUALS LIVING BELOW THE POVERTY LEVEL IN 2020. THEREFORE, 17.1% OF IMPLICIT PRICE CONCESSIONS CAN REASONABLY BE CONSIDERED A COMMUNITY BENEFIT AS IT WOULD HAVE BEEN WRITTEN OFF TO CHARITY CARE.

PART III, LINE 4:

THE FOOTNOTE THAT DESCRIBES IMPLICIT PRICE CONCESSIONS IS ON PAGES 14 AND 15 OF THE ATTACHED AUDITED FINANCIAL STATEMENT.

PART III, LINE 8:

MEDICARE ALLOWABLE COST OF CARE WAS CALCULATED FROM THE MEDICARE COST REPORT FOR FISCAL YEAR ENDING 06/30/2021. MEDICAL SERVICES ARE PROVIDED TO PATIENTS WITH MEDICARE COVERAGE REGARDLESS OF WHETHER OR NOT A SURPLUS OR

Part VI Supplemental Information (Continuation)

DEFICIT IS REALIZED. PROVIDING MEDICARE SERVICES PROMOTES ACCESS TO
HEALTHCARE SERVICES WHICH ARE VITALLY NEEDED BY OUR COMMUNITY.

THE MEDICARE COST REPORT IS COMPLETED BASED ON THE RULES AND REGULATIONS
SET FORTH BY THE CENTERS FOR MEDICARE AND MEDICAID SERVICES.

PART III, LINE 9B:

IF THE PATIENT QUALIFIES FOR THE ORGANIZATION'S FINANCIAL ASSISTANCE
POLICY FOR LOW-INCOME, UNINSURED PATIENTS AND IS COOPERATING WITH THE
ORGANIZATION WITH REGARD TO EFFORTS TO SETTLE AN OUTSTANDING BILL WITHIN
CURRENT SELF-PAY COLLECTION POLICY GUIDELINES AND TIMEFRAMES, THE
ORGANIZATION OR ITS AGENT SHALL NOT SEND, NOR INTIMATE THAT IT WILL SEND,
THE UNPAID BILL TO ANY OUTSIDE COLLECTION AGENCY. MARSHALL COUNTY ALLOWS
INDIVIDUALS 120 DAYS FROM THE FIRST POST DISCHARGE STATEMENT TO APPLY FOR
FINANCIAL ASSISTANCE BEFORE SENDING THE UNCOLLECTED ACCOUNT TO AN OUTSIDE
COLLECTION AGENCY. MARSHALL COUNTY WILL PROVIDE THE PATIENT WITH A
STATEMENT OR FINAL NOTICE THAT CONTAINS A LISTING OF THE SPECIFIC
COLLECTION ACTION(S) IT INTENDS TO INITIATE, AND A DEADLINE AFTER WHICH
THEY MAY BE INITIATED NO EARLIER THAN 30 DAYS BEFORE ACTION IS INITIATED.
IF THE PATIENT QUALIFIES FOR 100% CHARITY CARE, NO FURTHER BILLS WILL BE
SENT. A LETTER WILL BE SENT INSTEAD INDICATING THAT THE PATIENT'S BILL HAS
BEEN COMPLETELY FORGIVEN.

PART VI, LINE 2:

MARSHALL COUNTY HEALTHCARE CENTER (MCHC) ASSESSES THE HEALTH CARE NEEDS OF
ITS COMMUNITIES BY WORKING CLOSELY WITH ITS PROVIDERS, AND ALSO THROUGH
SURVEYS COMPLETED BY PATIENTS. MCHC MAINTAINS AN ADVISORY BOARD MADE UP OF
COMMUNITY MEMBERS, WHOSE FUNCTION IS TO COMMUNICATE THE NEEDS, WANTS AND

Part VI Supplemental Information (Continuation)

CONCERNS OF THEIR COMMUNITIES TO MCHC. MCHC CONDUCTED A COMMUNITY HEALTH NEEDS ASSESSMENT IN FISCAL YEAR 2019, EXAMINING BOTH QUALITATIVE AND QUANTITATIVE DATA. A SERIES OF FOCUS GROUPS WERE LED BY A THIRD PARTY FACILITATOR TO COLLECT INPUT FROM A VARIETY OF COMMUNITY MEMBERS. LOCAL, STATE, AND NATIONAL STATISTICAL DATA WAS ALSO GATHERED AND EVALUATED AS PART OF THE ASSESSMENT.

PART VI, LINE 3:

IN ADDITION TO WIDELY PUBLICIZING THE FINANCIAL ASSISTANCE POLICY THROUGH THE STEPS IDENTIFIED IN PART V, LINE 16, MCHC PROVIDES FINANCIAL ASSISTANCE INFORMATION TO PATIENTS AT THEIR REQUEST. MCHC REPRESENTATIVES ARE AVAILABLE TO DISCUSS WITH PATIENTS THE AVAILABILITY OF VARIOUS GOVERNMENT BENEFITS, SUCH AS MEDICAID OR STATE PROGRAMS, AND WILL OFFER TO ASSIST THE PATIENT WITH QUALIFICATION FOR SUCH PROGRAMS, WHERE APPLICABLE.

PART VI, LINE 4:

MCHC IS LOCATED IN BRITTON, SD, A RURAL COMMUNITY OF 1,250 RESIDENTS. THE GEOGRAPHIC SERVICE AREA OF MCHC IS APPROXIMATELY 50 MILES IN ALL DIRECTIONS. THIS AREA CONSISTS OF SMALL FARMS, RANCHES, AND 4 OTHER VERY SMALL TOWNS. MARSHALL COUNTY (POPULATION 4,306) HAS BEEN DESIGNATED AS BOTH A SOUTH DAKOTA MEDICALLY UNDERSERVED AREA AND A SOUTH DAKOTA HEALTH PROFESSIONAL SHORTAGE AREA. THE MEDIAN AGE IN MARSHALL COUNTY IS 43.2. THE MEDIAN INCOME FOR A FAMILY IN MARSHALL COUNTY IS \$56,644 AND 17.1% OF ALL PERSONS ARE UNDER THE POVERTY LEVEL. BRITTON'S MEDIAN FAMILY INCOME IS \$61,875 WITH 5.58% OF THE TOWN'S POPULATION LIVING UNDER THE POVERTY LEVEL. MCHC IS THE ONLY HOSPITAL IN THE DESCRIBED AREA.

PART VI, LINE 5:

Part VI Supplemental Information (Continuation)

MCHC IS THE SOLE PROVIDER OF HEALTHCARE IN MARSHALL COUNTY. THE FACILITY OPERATES A 24 HOUR EMERGENCY ROOM. A WIDE VARIETY OF OUTPATIENT SERVICES ARE AVAILABLE AT THIS FACILITY. IN ADDITION, MCHC IS INVOLVED IN THE PROMOTION OF MANY COMMUNITY HEALTH AWARENESS EVENTS. MCHC HELPS TO SPONSOR A LOCAL GROUP KNOWN AS THE WOW COALITION (AND MANY OF OUR STAFF MEMBERS VOLUNTEER) WHO'S FOCUS IS TO PROMOTE HEALTHY EATING AND EXERCISE IN THE COMMUNITY.

MCHC MAINTAINS AN ADVISORY BOARD MADE UP OF COMMUNITY MEMBERS, WHOSE FUNCTION IS TO COMMUNICATE THE NEEDS, WANTS, AND CONCERNS OF THEIR COMMUNITIES TO MCHC. MCHC'S 9 MEMBER BOARD OF TRUSTEES HAS 7 MEMBERS FROM THE COMMUNITIES WITHIN MCHC'S PRIMARY SERVICE AREA. THESE BOARD MEMBERS ARE NOT EMPLOYEES OR FAMILY MEMBERS OF EMPLOYEES. ADMITTING RIGHTS ARE PROVIDED TO ALL QUALIFIED PHYSICIANS IN THE SERVICE AREA. THE HOSPITAL USES ITS SURPLUS FUNDS FOR IMPROVING OPERATIONS, FACILITY UPGRADES, TECHNOLOGY AND EQUIPMENT UPGRADES, AND OPERATIONAL COSTS.

PART VI, LINE 6:

MCHC IS A MANAGED FACILITY OF AVERA HEALTH. AVERA HEALTH AND MCHC WORK COOPERATIVELY TO ENHANCE HEALTHCARE THROUGHOUT THE COMMUNITY SERVED BY THE HOSPITAL.

MCHC ALSO HAS ACCESS TO "BACK OFFICE" SUPPORT SERVICES, SUCH AS LEGAL CONSULTATION, QUALITY BENCHMARKING, CODING, COMPUTER SERVICES, CONTRACT NEGOTIATIONS, ADMINISTRATIVE CONSULTATION, GROUP PURCHASING, HUMAN RESOURCE ASSISTANCE AND MANY OTHER SERVICES. AVERA HEALTH IS ABLE TO PROVIDE THESE SERVICES TO THE HOSPITAL AT A COST BELOW THAT WHICH MCHC COULD OTHERWISE ACHIEVE. IN TURN, LOCAL CAREGIVERS ARE ABLE TO DEVOTE MORE

Part VI Supplemental Information (Continuation)

RESOURCES TO PATIENT AND RESIDENT CARE.

AVERA HEALTH AND MCHC DEDICATE RESOURCES TO ENDEAVORS THAT MAKE A POSITIVE DIFFERENCE TO IMPROVE THE HEALTH OF THE COMMUNITIES THEY SERVE. THESE ACTIVITIES INCLUDE LEADERSHIP DEVELOPMENT AND TRAINING FOR COMMUNITY MEMBERS, ECONOMIC DEVELOPMENT, PHYSICAL IMPROVEMENTS IN THE COMMUNITY, CONTRIBUTIONS TO NONPROFIT COMMUNITY ORGANIZATIONS, NONPROFIT EVENT SPONSORSHIPS, DONATED MEDICAL SUPPLIES, COMMUNITY HEALTH EDUCATION AND SUPPORT GROUPS, HEALTH SCREENINGS, FLU-SHOT CLINICS, COMMUNITY HEALTH EDUCATION AND VARIOUS OTHER ACTIVITIES.

**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

2020

Open to Public Inspection

Name of the organization

MARSHALL COUNTY MEMORIAL HOSPITAL

Employer identification number

46-0380552

Part I Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (such as maid, chauffeur, chef)		
b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	
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?	2	
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. <input type="checkbox"/> Compensation committee <input type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations <input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee		
4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
a Receive a severance payment or change-of-control payment?	4a	X
b Participate in or receive payment from a supplemental nonqualified retirement plan?	4b	X
c Participate in or receive payment from an equity-based compensation arrangement?	4c	X
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?	5a	X
b Any related organization?	5b	X
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?	6a	X
b Any related organization?	6b	X
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	7	X
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	8	X
9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

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

Schedule J (Form 990) 2020

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) NICK FOSNESS CEO	(i)	173,100.	0.	1,089.	3,609.	31,706.	209,504.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) AMANDA SCHMIEG NURSE PRACTITIONER	(i)	73,483.	100.	85,139.	10,979.	8,130.	177,831.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) SARA RAABE NURSE PRACTITIONER	(i)	76,855.	100.	75,053.	10,516.	7,254.	169,778.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) JILL ZUEHLKE NURSE PRACTITIONER	(i)	86,741.	100.	55,309.	9,941.	7,254.	159,345.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
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	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

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

SCHEDULE J, PART II:

NICK FOSNESS, ADMINISTRATOR, IS COMPENSATED THROUGH AN ARRANGEMENT WITH
AVERA ST. LUKE'S HOSPITAL, 305 S STATE ST, ABERDEEN, SD 57401.

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

2020

Open to Public
Inspection

Name of the organization

MARSHALL COUNTY MEMORIAL HOSPITAL

Employer identification number

46-0380552

FORM 990, PART I, DOING BUSINESS AS:

MARSHALL COUNTY HEALTHCARE CENTER

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

SINCE MCHC DOES NOT PURSUE COLLECTION OF THESE AMOUNTS, THEY ARE NOT
REPORTED AS PATIENT SERVICE REVENUE.

THE ESTIMATED COST OF PROVIDING THESE SERVICES WAS \$17,000 FOR THE YEAR
ENDED JUNE 30, 2021 CALCULATED BY MULTIPLYING THE RATIO OF COST TO
GROSS CHARGES FOR MCHC BY THE GROSS UNCOMPENSATED CHARGES ASSOCIATED
WITH PROVIDING CHARITY CARE TO ITS PATIENTS.

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

THE HOSPITAL DOES NOT HAVE COMMITTEES WITH AUTHORITY TO ACT ON BEHALF OF
THE GOVERNING BODY.

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

THE 990 WILL BE REVIEWED IN DETAIL. AFTER THE REVIEW, THE 990 WILL BE
PROVIDED TO EACH BOARD MEMBER. THE 990 WILL BE PRESENTED 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:

BOARD OF TRUSTEE MEMBERS AND KEY OFFICERS SIGN THE ANNUAL CONFLICT OF

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

Schedule O (Form 990 or 990-EZ) 2020

Name of the organization

MARSHALL COUNTY MEMORIAL HOSPITAL

Employer identification number

46-0380552

INTEREST POLICY. PRIOR TO EACH BOARD MEETING, TRUSTEES AND OFFICERS ARE ASKED TO DECLARE ANY CONFLICT OF INTEREST WITH THE AGENDA. IF A CONFLICT WERE TO BE DECLARED, THAT DIRECTOR WOULD NOT PARTICIPATE IN THE DECISION ON THAT PARTICULAR AGENDA ITEM.

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

AVERA ST. LUKE'S REVIEWS THE CEO'S JOB PERFORMANCE WITH INPUT FROM DEPARTMENT HEADS AT MCHC. THE PERFORMANCE APPRAISAL IS SHARED WITH MCHC'S BOARD OF TRUSTEES. AN INDEPENDENT SALARY SURVEY IS DONE BY AVERA ST. LUKE'S. A RECOMMENDATION OF THE CEO'S SALARY IS BROUGHT TO MCHC'S BOARD OF TRUSTEES. THE BOARD OF TRUSTEES GOES OVER THE PERFORMANCE REVIEW WITH THE CEO AND CONVEYS THE CHANGE IN SALARY TO HIM. THE DELIBERATION AND DECISION OF THE BOARD IS DOCUMENTED. THIS PROCESS WAS LAST UNDERTAKEN DURING THE FISCAL YEAR.

ALL OTHER SALARIES ARE APPROVED IN A SALARY BUDGET AND DISCUSSIONS RELATING TO THE AMOUNT BUDGETED FOR SALARY ADJUSTMENTS IS DOCUMENTED. MARSHALL COUNTY HEALTHCARE CENTER PARTICIPATES IN A SEMI-ANNUAL SALARY AND BENEFITS SURVEY, CONDUCTED BY THE SOUTH DAKOTA ASSOCIATION OF HEALTHCARE ORGANIZATIONS, THE RESULTS OF WHICH ARE USED IN ESTABLISHING SALARY ADJUSTMENTS FOR EACH POSITION. THIS PROCESS WAS LAST UNDERTAKEN DURING THE FISCAL YEAR.

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

DOCUMENTS ARE MADE AVAILABLE UPON REQUEST.

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

PURCHASED SERVICES:

Name of the organization MARSHALL COUNTY MEMORIAL HOSPITAL	Employer identification number 46-0380552
---	--

PROGRAM SERVICE EXPENSES	375,199.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	375,199.

CONSULTING FEES:

PROGRAM SERVICE EXPENSES	244,532.
MANAGEMENT AND GENERAL EXPENSES	3,000.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	247,532.

PROFESSIONAL FEES:

PROGRAM SERVICE EXPENSES	337,834.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	337,834.

COLLECTION FEES:

PROGRAM SERVICE EXPENSES	0.
MANAGEMENT AND GENERAL EXPENSES	989.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	989.

ACS FEES:

PROGRAM SERVICE EXPENSES	0.
MANAGEMENT AND GENERAL EXPENSES	151,930.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	151,930.

Name of the organization MARSHALL COUNTY MEMORIAL HOSPITAL	Employer identification number 46-0380552
--	---

TOTAL OTHER FEES ON FORM 990, PART IX, LINE 11G, COL A **1,113,484.**

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

CHANGE IN INTEREST IN AVERA POOLED INVESTMENT FUND **44,589.**

Electronic Filing PDF Attachment



Financial Statements
June 30, 2021 and 2020

Marshall County Healthcare Center

Marshall County Healthcare Center

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June 30, 2021 and 2020

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Independent Auditor's Report

The Board of Directors
Marshall County Healthcare Center
Britton, South Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of Marshall County Healthcare Center, which comprise the balance sheets as of June 30, 2021 and 2020, and the related statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and our 2021 audit in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The 2020 audit was not required to be conducted in accordance with *Government Auditing Standards*.

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 Marshall County Healthcare Center as of June 30, 2021 and 2020, 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.

Report Issued in Accordance with *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2022, on our consideration of Marshall County Healthcare Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Marshall County Healthcare Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Marshall County Healthcare Center's internal control over financial reporting and compliance.

The image shows a handwritten signature in black ink that reads "Eric Sully LLP". The signature is written in a cursive, flowing style.

Sioux Falls, South Dakota
January 17, 2022

Marshall County Healthcare Center

Balance Sheets

June 30, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	\$ 4,602,378	\$ 4,773,575
Receivables		
Patient	1,106,257	940,053
Other	63,113	54,388
Estimated third-party payor settlements	250,000	495,000
Supplies	203,007	170,690
Prepaid expenses	30,792	21,841
Total current assets	6,255,547	6,455,547
Assets Limited as to Use		
By Board for capital improvements	5,926,595	5,040,262
Interest in net assets of Avera Health Foundation	289,778	245,189
Total assets limited as to use	6,216,373	5,285,451
Property and Equipment, Net	4,629,342	3,794,207
Other Assets		
Land held for future use	105,558	105,558
Total assets	\$ 17,206,820	\$ 15,640,763

Marshall County Healthcare Center

Balance Sheets

June 30, 2021 and 2020

	2021	2020
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	\$ -	\$ 398,288
Accounts payable		
Trade	224,785	163,242
Accrued expenses		
Salaries and wages	192,855	190,980
Vacation	316,500	306,772
Payroll taxes and other	58,145	86,490
Refundable advances	100,000	3,270,223
Total current liabilities	892,285	4,415,995
Long-term Debt, Net of Current Maturities	-	486,212
Total Liabilities	892,285	4,902,207
Net Assets		
Without donor restrictions	16,281,299	10,711,056
With donor restrictions	33,236	27,500
Total net assets	16,314,535	10,738,556
Total liabilities and net assets	\$ 17,206,820	\$ 15,640,763

Marshall County Healthcare Center
Statements of Operations
Years Ended June 30, 2021 and 2020

	2021	2020
Unrestricted Revenue, Gains, and Other Support		
Patient service revenue	\$ 9,147,739	\$ 7,741,775
Other revenue	986,987	1,121,020
Paycheck Protection Program loan forgiveness	884,500	-
Provider Relief Fund revenue	3,270,223	108,439
Other stimulus programs	361,750	4,190
	14,651,199	8,975,424
Expenses		
Salaries and wages	4,284,382	4,020,158
Supplies and other	2,992,123	2,259,122
Employee benefits	1,523,168	1,454,118
Depreciation	521,696	449,964
Professional fees	337,834	356,791
Utilities	149,333	130,564
Repairs and maintenance	130,517	103,296
Insurance	78,125	71,375
	10,017,178	8,845,388
Operating Income	4,634,021	130,036
Other Income (Loss)		
Net investment return	895,369	(29,216)
Change in interest in net assets of Avera Health Foundation	38,853	(32,619)
	934,222	(61,835)
Revenues in Excess of Expenses	5,568,243	68,201
Contributions Restricted for Capital Improvements	2,000	41,675
Change in Net Assets Without Donor Restrictions	\$ 5,570,243	\$ 109,876

Marshall County Healthcare Center
 Statements of Changes in Net Assets
 Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Net Assets Without Donor Restrictions		
Revenues in excess of expenses	\$ 5,568,243	\$ 68,201
Contributions restricted for capital improvements	<u>2,000</u>	<u>41,675</u>
Change in net assets without donor restrictions	5,570,243	109,876
Net Assets With Donor Restrictions		
Change in interest in net assets of Avera Health Foundation	<u>5,736</u>	<u>663</u>
Change in Net Assets	5,575,979	110,539
Net Assets, Beginning of Year	<u>10,738,556</u>	<u>10,628,017</u>
Net Assets, End of Year	<u><u>\$ 16,314,535</u></u>	<u><u>\$ 10,738,556</u></u>

Marshall County Healthcare Center

Statements of Cash Flows

Years Ended June 30, 2021 and 2020

	2021	2020
Operating Activities		
Change in net assets	\$ 5,575,979	\$ 110,539
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	521,696	449,964
Net realized and unrealized losses (gains) on investments	(886,333)	30,981
(Gain) loss on disposal of property and equipment	(893)	3,666
Contributions restricted by donors	(7,736)	(42,338)
Change in net assets of Avera Health Foundation	(38,853)	32,619
Paycheck Protection Program loan forgiveness	(884,500)	-
Change in assets and liabilities		
Receivables	70,071	(388,108)
Supplies	(32,317)	(39,590)
Prepaid expenses	(8,951)	2,243
Accounts payable	61,543	(117,095)
Accrued expenses	(16,742)	96,870
Refundable advances	(3,170,223)	3,270,223
Net Cash from Operating Activities	1,182,741	3,409,974
Investing Activities		
Purchase of property and equipment	(1,357,938)	(581,878)
Proceeds from sale of equipment	2,000	7,523
Purchase of assets limited as to use	-	(250,000)
Net Cash used for Investing Activities	(1,355,938)	(824,355)
Financing Activities		
Proceeds from issuance of debt	-	884,500
Contributions restricted by donors	2,000	41,675
Net Cash from Financing Activities	2,000	926,175
Net Change in Cash and Cash Equivalents	(171,197)	3,511,794
Cash and Cash Equivalents, Beginning of Year	4,773,575	1,261,781
Cash and Cash Equivalents, End of Year	\$ 4,602,378	\$ 4,773,575

Note 1 - Organization and Significant Accounting Policies

Organization

Marshall County Healthcare Center (“Center”) operates an acute care hospital, a medical clinic, and an assisted living facility, all of which are located in Britton, South Dakota. The Center leases the land and buildings used in its operations from the County of Marshall, State of South Dakota. The lease with the County expires on December 31, 2044.

Accounting for Income Taxes

The Center is organized as 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 Center is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Center is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Center has determined it is not subject to unrelated business income tax and has not filed an exempt organization business income tax return (Form 990T) with the IRS.

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

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include 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. Unpaid patient receivables, excluding amounts due from third-party payors, with invoice dates over 90 days old have interest assessed at 1.5% per month. Due to the uncertainty of collecting private pay accounts, these interest charges are recognized as income when received. Payments of patient receivables are allocated to the specific claims identified in the remittance advice or, if unspecified, are applied to the earliest unpaid claim.

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

The Center's process for calculating the allowance for doubtful accounts for self-pay patients has not significantly changed from June 30, 2020 to June 30, 2021. The Center does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant write offs from third-party payors. The Center has not significantly changed its charity care or uninsured discount policies during fiscal years 2021 or 2020.

The Center's July 1, 2019 patient receivables and other receivables were contract assets of \$1,003,046 and \$98,287, respectively, and estimated third-party payor settlements was a contract liability of \$135,000.

Supplies

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

Investments and Investment Income

Investments with readily determinable market values are stated at fair value. The fair value of all debt and equity securities with readily determinable fair values are based on quotations obtained from national and foreign securities exchanges. Net investment return (including interest income, dividends, net changes in unrealized gains and losses, and net realized gains and losses) is included in the performance indicator unless the income or loss is restricted by donor or law.

The Center, through its affiliation with Avera Health, participates in the Avera Pooled Investment Fund, a fund administered by Avera Health. The Pooled Investment Fund has a portion of its holdings in alternative investments, which are not readily marketable. These alternative investments include partnerships and other interests that invest in hedge funds, real asset funds, and private equity/venture capital funds, among others. Many of these alternative investments have fair values that are determined using the net asset value (NAV) provided by the investment manager. NAV is a practical expedient to determine the fair value of investments that do not have readily determinable fair values and prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. Investment income, including interest, dividends, realized gains and losses, and unrealized gains and losses are allocated to participants of the Avera Pooled Investment Fund based upon their pro rata share of the investments.

Assets Limited as to Use

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

Fair Value Measurements

If applicable the Center determines the fair value of certain assets and liabilities in accordance with generally accepted accounting principles, which provides a framework for measuring fair value.

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

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

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

Land improvements	10 - 15 years
Leasehold improvements	5 - 25 years
Equipment	5 - 20 years

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

The Center 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, 2021 and 2020.

Land Held for Future Use

Land held for future use consists of property that is being held in the event it is needed for future expansion of the Center.

Interest in Net Assets of Avera Health Foundation

The Avera Health Foundation, an affiliate of the Center, solicits contributions and holds funds on behalf of the Center. The Center's interest in these funds is recorded in other assets in the accompanying financial statements. Changes in the funds held by the Foundation are recorded as changes in interest in net assets of Avera Health Foundation in the accompanying financial statements.

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.

Patient Service Revenue

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

Performance obligations are determined based on the nature of the services provided by the Center. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Center believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients in the hospital receiving inpatient acute, outpatient, or professional services, or residents in assisted living. The Center measures the performance obligation (associated with inpatient acute services and assisted living services) from admission to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge. Revenue for performance obligations satisfied at a point in time is recognized when goods or services are provided, and the Center does not believe it is required to provide additional goods or services to the patient.

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

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

Other Revenues

The Hospital has other revenues which primarily consists of retail pharmacy revenue and includes some other miscellaneous grants and other revenues. Retail revenues are recognized when the performance obligation is met at a point in time and other miscellaneous grants, wellness, and rental revenues are recognized as performance obligations are over a period of time. Other revenues are included in operating revenues in the statements of operations.

Performance Indicator

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

Charity Care

The Center 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 Center does not pursue collection of these amounts, they are not reported as patient service revenue. The estimated cost of providing these services was \$17,000 and \$68,000 for the years ended June 30, 2021 and 2020, calculated by multiplying the ratio of cost to gross charges for the Center by the gross uncompensated charges associated with providing charity care to its patients.

Donor-Restricted Gifts

The Center 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.

Functional Allocation of Expenses

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

The financial statements report categories that are attributed to program service activities or supporting activities. Accordingly, certain costs have been allocated among the program and supporting service benefited. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, such as depreciation and other occupancy costs are allocated to a function based on a square-footage or units-of-service basis while the remainder of expenses are allocated on the basis of estimates of time and effort.

Change in Accounting Policy

As of July 1, 2020, the Center adopted the provisions of Accounting Standards Update No. 2014-09 (ASU 2014-09), *Revenues from Contracts with Customers (Topic 606)*. The guidance provides a principles-based approach for determining revenue recognition and supersedes all existing guidance, such as current transaction and industry-specific revenue recognition guidance. The core principle of ASU 2014-09 is that an entity will recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (payment) to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 identifies a five-step process in order to recognize revenue. In addition, there is also more comprehensive guidance for transactions such as service revenue, contract modifications and multiple-element arrangements.

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

The adoption of the new standard resulted in changes to the presentation and disclosure of revenue related to uninsured and underinsured patients. Prior to adoption of ASU 2014-09, the Center presented a separate provision for bad debts related to self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill). Under ASU 2014-09, the estimated uncollectible amounts due from these patients are generally considered an implicit price concessions direct reduction to patient service revenue and resulted in a material reduction in the amounts previously presented separately as provision for bad debts. As such, the 2020 provision for bad debts of \$143,851 has been reclassified and presented as a reduction to patient service revenue in current presentation.

The adoption of the ASU 2014-09 did not have a significant or material impact on recognition of total operating revenues for any period and there was no cumulative effect of a change in accounting principle recorded, but its implementation did result in expanded footnote disclosures.

Note 2 - Patient Service Revenue

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

Medicare - The Center is licensed as a Critical Access Hospital (CAH). The Center is reimbursed for most acute care services under a cost reimbursement methodology with final settlement determined after submission of annual cost reports by the Center and are subject to audits thereof by the Medicare intermediary. The Center's Medicare cost reports have been audited by the Medicare Administrative Contractor through the year ended June 30, 2019. Clinical services are paid on a cost basis or fixed fee schedule.

Medicaid - Inpatient acute care services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Outpatient services related to Medicaid program beneficiaries are reimbursed under a prospective percentage of charge methodology.

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

Other: The Center has also entered into payment agreements with certain commercial insurance carriers and other organizations. The basis for payment to the Center under these agreements includes discounts from established charges.

Marshall County Healthcare Center

Notes to Financial Statements

June 30, 2021 and 2020

The composition of patient service revenue by payor for the years ended June 30, 2021 and 2020 is as follows:

	2021	2020
Patient Service Revenue		
Medicare	\$ 5,514,259	\$ 4,934,172
Medicaid	214,209	153,805
Blue Cross	1,872,923	1,723,126
Other	1,546,348	930,672
	\$ 9,147,739	\$ 7,741,775

Laws and regulations governing the Medicare, Medicaid, and other programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The patient and resident service revenue for the years ended June 30, 2021 and 2020 increased by approximately \$56,000 and \$27,000, respectively, 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.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Center also provides services to uninsured patients, and offers those uninsured patients a discount, either by policy or law, from standard charges. The Center estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual price concessions, discounts and implicit price concessions based on historical collection experience. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. The ability to estimate the collectability of uninsured and other self-pay patients or residents is contingent on the patient's ability or willingness to pay for the services provided. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense. Bad debt expense for the years ended June 30, 2021 and 2020 were not significant.

The nature, amount, timing and uncertainty of revenue and cash flows are affected by several factors that the Center considers in its recognition of revenue. Following are some of the factors considered:

- Payors (for example, Medicare, Medicaid, managed care or other insurance and patient) have different reimbursement/payment methodologies
- Length of the patient's service/episode of care
- Center's line of businesses that provided the service (for example, hospital, physician services, etc.)

Note 3 - Provider Relief Funds and Other Stimulus Grants

As of June 30, 2021, the Center had received \$3,478,662 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 ranging from June 30, 2021 to December 31, 2021, varying based on the date the Center received the funds. Unspent funds will be expected to be repaid.

These funds are recorded as a refundable advance when received and are recognized as revenues in the accompanying statements of operations as 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.

As of June 30, 2021 and 2020, the Center had a total refundable advance balance related to provider relief funds of \$100,000 and \$3,270,223, respectively, which was included in current liabilities on the accompanying balance sheets. During the years ended June 30, 2021 and 2020, the Center recognized \$3,270,223 and \$108,439, respectively, as revenue, included as provider relief fund revenue on the statements of operations. As a result of changes to the terms and conditions provided by HHS during 2021, \$1,298,108 of the amount recognized during the year ended June 30, 2021 related to additional healthcare-related expenses and lost revenues incurred during the year ended June 30, 2020.

The Center also received \$365,940 from the South Dakota Department of Health and other sources. These funds are subject to terms and conditions imposed by the grantor. During the years ended June 30, 2021 and 2020, the Center recognized \$361,750 and \$4,190, respectively, as revenue, included in other stimulus grant revenue on the statements of operations.

Note 4 - Investments

Assets Limited as to Use

The composition of assets limited as to use at June 30, 2021 and 2020, is set forth in the following table.

	<u>2021</u>	<u>2020</u>
By Board for capital improvements		
Interest in Avera Pooled Investment Fund*	<u>\$ 5,926,595</u>	<u>\$ 5,040,262</u>
Interest in net assets of Avera Health Foundation		
Interest in Avera Pooled Investment Fund*	<u>\$ 289,778</u>	<u>\$ 245,189</u>

Pooled Investment Fund *

The Center is a participant in the Avera Pooled Investment Fund, a fund administered by Avera Health that is maintained for the benefit of facilities that are sponsored, operated, or managed by Avera Health. Investments are made in conformity with the objectives and guidelines of the Avera Health Pooled Investment Committee. Within the fund, facilities share in a pool of investments that are managed by various fund managers. Asset valuation and income and losses of the fund are allocated to participating members based on the carrying amount of their investment in the fund.

As of June 30, 2021 and 2020, the Avera Pooled Investment Fund assets consisted of the following types of investments:

	<u>2021</u>	<u>2020</u>
Equity mutual funds	42.8%	28.9%
Fixed income mutual funds	26.3%	17.0%
Non-publicly traded alternative investments		
Multi-strategy, private equity, and hedge funds	9.1%	12.4%
Real asset	1.2%	1.2%
Cash and short-term investments	7.7%	23.9%
Corporate bonds	3.5%	3.9%
Foreign equities	3.4%	4.2%
Publicly traded equity securities	3.1%	5.8%
U.S. government issues	1.7%	1.4%
Other fixed income	1.2%	1.3%
	<u>100.0%</u>	<u>100.0%</u>

Note 5 - Property and Equipment

A summary of property and equipment at June 30, 2021 and 2020, is as follows:

	2021		2020	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	\$ 259,774	\$ -	\$ 74,014	\$ -
Leasehold improvements	5,018,738	3,000,561	4,959,319	2,786,291
Equipment	3,679,781	1,762,235	3,039,828	1,492,663
Construction in progress	433,845	-	-	-
Total	<u>\$ 9,392,138</u>	<u>\$ 4,762,796</u>	<u>\$ 8,073,161</u>	<u>\$ 4,278,954</u>
Property and equipment, net		<u>\$ 4,629,342</u>		<u>\$ 3,794,207</u>

Construction in progress is related to an ongoing construction project at the Center which is expected to be completed in 2022. The Center has future commitments related signed agreements of approximately \$4,880,000 related to this project as of June 30, 2021.

Note 6 - Leases

The Center leases certain equipment under various operating leases with terms of less than one year or cancelable upon written notice. Total lease expense for the years ended June 30, 2021 and 2020, for all operating leases was \$72,409 and \$24,908, respectively.

Note 7 - 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:

	2021	2020
Cash and cash equivalents	\$ 4,602,378	\$ 4,773,575
Receivables	1,419,370	1,489,441
Assets limited as to use		
By Board for capital improvements	5,926,595	5,040,262
	<u>\$ 11,948,343</u>	<u>\$ 11,303,278</u>

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

Note 8 - Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at June 30, 2021 and 2020:

	2021	2020
Various health care related programs and services	\$ 19,743	\$ 14,007
Investments to be held in perpetuity, the income from which is expendable to support various health care services	13,493	13,493
	\$ 33,236	\$ 27,500

Note 9 - Long-Term Debt

Long-term debt consists of:

	2021	2020
1% Note payable, due in 17 installments of \$49,786, fully forgiven in 2021	\$ -	\$ 884,500
Less current maturity	-	(398,288)
	\$ -	\$ 486,212

During the year-ended June 30, 2020, the Center was granted a \$884,500 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The loan was uncollateralized and fully guaranteed by the Federal government. In the year-ended June 30, 2020, the Center recorded a note payable. There were provisions under the PPP loan program where all or a portion of the loan may be forgiven based on certain criteria like maintaining full time equivalent employees. As of June 30, 2021, the full amount of \$884,500 of the loan has been forgiven and is recognized as operating revenue.

Note 10 - Retirement Plan

Qualified employees of the Center are covered by the South Dakota Retirement System (SDRS), a multiple-employer defined benefit pension plan administered by the state of South Dakota. The tax ID number for the South Dakota Retirement System plan is 46-6000364 and their plan number is 001. The Center contributes less than 5% of the total contributions made to the plan from all employees. As of June 30, 2020 the South Dakota Retirement System had a net position restricted for pension benefits of \$12,297,338,227 and a total actuarial accrued liability of \$12,336,269,952.

The Center's total cost of the plan for the years ended June 30, 2021 and 2020, was \$230,490 and \$211,134, respectively.

Note 11 - Concentrations of Credit Risk

The Center grants credit without collateral to its patients, most of whom are covered under third-party payor agreements. The mix of receivables from patients and third-party payors at June 30, 2021 and 2020, was as follows:

	<u>2021</u>	<u>2020</u>
Medicare	48%	44%
Commercial insurance and other	38%	41%
Private pay	11%	13%
Medicaid	3%	2%
	<u>100%</u>	<u>100%</u>

The Center's cash balances are maintained in various bank deposit accounts. At various times during the years ended June 30, 2021 and 2020, the balances of these accounts were in excess of federally insured limits.

Note 12 - Functional Expenses

The Center provides general health care services to patients within its geographic location. Expenses related to providing these services by functional class for the year ended June 30, 2021 are as follows:

	<u>Health Care Services</u>			<u>General and Administrative</u>	<u>Total</u>
	<u>Hospital Services</u>	<u>Clinic Services</u>	<u>Assisted Living Services</u>		
Salaries and wages	\$ 2,528,433	\$ 792,528	\$ 533,703	\$ 429,718	\$ 4,284,382
Employee benefits	913,916	260,861	195,491	152,900	1,523,168
Supplies and other	1,975,622	118,555	129,807	768,139	2,992,123
Professional fees	159,227	178,607	-	-	337,834
Utilities	64,674	15,273	37,404	31,982	149,333
Repairs and maintenance	103,448	6,307	12,759	8,003	130,517
Insurance	18,012	5,141	3,853	51,119	78,125
Depreciation	236,251	65,097	141,570	78,778	521,696
	<u>\$ 5,999,583</u>	<u>\$ 1,442,369</u>	<u>\$ 1,054,587</u>	<u>\$ 1,520,639</u>	<u>\$10,017,178</u>

Marshall County Healthcare Center

Notes to Financial Statements

June 30, 2021 and 2020

Expenses related to providing these services by functional class for the year ended June 30, 2020 are as follows:

	Health Care Services			General and Administrative	Total
	Hospital Services	Clinic Services	Assisted Living Services		
Salaries and wages	\$ 2,412,136	\$ 688,502	\$ 515,968	\$ 403,552	\$ 4,020,158
Employee benefits	873,302	248,245	183,800	148,771	1,454,118
Supplies and other	1,293,217	138,280	126,947	700,678	2,259,122
Professional fees	149,336	207,455	-	-	356,791
Utilities	52,788	10,091	36,094	31,591	130,564
Repairs and maintenance	74,302	3,971	16,619	8,404	103,296
Insurance	15,986	4,544	3,365	47,480	71,375
Depreciation	233,427	26,487	122,105	67,945	449,964
	<u>\$ 5,104,494</u>	<u>\$ 1,327,575</u>	<u>\$ 1,004,898</u>	<u>\$ 1,408,421</u>	<u>\$ 8,845,388</u>

Note 13 - Endowment

The Center's endowment consists of funds donated for the support of the Center. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Center has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2021 and 2020, there were no such donor stipulations. As a result of this interpretation, the Center retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the Endowment and (b) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

The following factors are considered in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Center
- 7) The investment policies of the Center

Marshall County Healthcare Center

Notes to Financial Statements

June 30, 2021 and 2020

At June 30, 2021 the Center had the following endowment net asset composition by type of fund:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donors	\$ -	\$ 13,493	\$ 13,493
Accumulated investment gains	-	16,896	16,896
	\$ -	\$ 30,389	\$ 30,389

At June 30, 2020 the Center had the following endowment net asset composition by type of fund:

Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donors	\$ -	\$ 13,493	\$ 13,493
Accumulated investment gains	-	12,411	12,411
	\$ -	\$ 25,904	\$ 25,904

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Center has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2021 and 2020 the Center did not have any underwater endowments.

Investment and Spending Policies

The Center has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. To satisfy its long-term rate-of-return objectives, the Center relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Center targets a diversified asset allocation including equity and fixed-income securities to achieve its long-term return objectives within prudent risk constraints.

Marshall County Healthcare Center

Notes to Financial Statements

June 30, 2021 and 2020

Changes in endowment net assets for the year ended June 30, 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2020	\$ -	\$ 25,904	\$ 25,904
Change in interest in net assets of Avera Health Foundation	-	4,485	4,485
Endowment net assets, June 30, 2021	\$ -	\$ 30,389	\$ 30,389

Changes in endowment net assets for the year ended June 30, 2020 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2019	\$ -	\$ 26,065	\$ 26,065
Change in interest in net assets of Avera Health Foundation	-	(161)	(161)
Endowment net assets, June 30, 2020	\$ -	\$ 25,904	\$ 25,904

Note 14 - Contingencies

Malpractice Insurance

The Center has malpractice insurance coverage to provide protection for professional liability losses on a claims-made basis subject to a limit of \$1 million per claim and \$3 million annual aggregate. The Center is also insured under an excess umbrella liability policy with a limit of \$20 million. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured.

Litigations, Claims, and Assessments

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

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

COVID-19 Pandemic

During 2020 and 2021, the world-wide coronavirus pandemic impacted national and global economies. The Center 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 Center is not known.

Note 15 - Subsequent Events

In preparing these financial statements, the Center has evaluated events and transactions for potential recognition or disclosure through January 17, 2022, the date the financial statements were available to be issued. Subsequent to year-end, the Center received approximately \$210,000 from the American Rescue Plan (ARP) Rural distribution, which is a component of the HHS Provider Relief Fund program. This funding is subject to similar terms and conditions as other Provider Relief Fund distributions (Note 3). These funds have a period of availability for incurring eligible expenses and/or lost revenues of January 1, 2020 through December 31, 2022. Unspent funds will be expected to be repaid.



Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Directors
Marshall County Healthcare Center

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Marshall County Healthcare Center, which comprise the balance sheet as of June 30, 2021, and the related statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 17, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Marshall County Healthcare Center’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Marshall County Healthcare Center’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Center’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses (2021-001 & 2021-002) that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marshall County Healthcare Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Marshall County Healthcare Center in a separate letter dated January 17, 2022.

Marshall County Healthcare Center's Response to Findings

Marshall County Healthcare Center's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Marshall County Healthcare Center's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in cursive script that reads "Eide Sully LLP".

Sioux Falls, South Dakota
January 17, 2022

Finding 2021-001 – Preparation of Full Disclosure Financial Statements & Audit Adjustments

Criteria: Proper controls over financial reporting include the ability to prepare financial statements with accompanying notes to the financial statements that are materially correct and include all required disclosures.

Condition: The Center does not have an internal control system designed to provide for the preparation of the full disclosure financial statements being audited. As auditors, we were requested to draft the financial statements and accompanying notes to the financial statements which resulted in material audit adjustments to the financial statements.

Cause: The Center has limited staff. They cannot justify incurring the costs necessary for preparing the financial statements with accompanying notes to the financial statements.

Effect: Inadequate controls over financial reporting of the Center could result in the likelihood that the Center would not be able to draft the financial statements with accompanying notes to the financial statements without the assistance of the auditors and increases the changes for undetected errors or defalcations to the financial statements.

Recommendation: While we recognize that this condition is not unusual for an organization of your size, it is important that you be aware of this condition for financial reporting purposes.

Management's Response: Since it is not cost effective for an organization of our size to prepare audit ready financial statements, we have chosen to hire Eide Bailly, a public accounting firm, to prepare our full disclosure financial statements as part of the annual audit. We have designated a member of management to review the propriety of the draft financial statements and accompanying notes to the financial statements. We will review journal entries proposed and identify controls to help mitigate the risks of material errors or defalcations to the financial statements.

Finding 2021-002 – Lack of Proper Segregation of Duties

Criteria: In order to achieve a high level of internal control, the functions of executing transactions, recording transactions and maintaining accountability for asset should be performed by different employees or be maintained under dual control.

Condition: The Center does not have an internal control system designed to allow for proper segregation of duties in certain areas of the accounting function.

Cause: The Center has limited staff. They cannot justify incurring the costs necessary of hiring additional individuals in order to better segregate accounting duties.

Effect: Proper segregation of duties helps to minimize the chance of undetected errors or defalcations, since the work of one person serves as a “check” on the work of another.

Recommendation: Due to the small size of the office, the Center is limited in the options available to them. Under this situation, the most effective control is management and the board’s oversight and knowledge of matters related to the operations of the Center.

Management’s Response: We have evaluated the segregation of duties and have segregated duties to the extent possible with our available staff. Management and the Board of Directors will continue to exercise oversight of the accounting functions, which we believe mitigates the risk of material misstatement. Due to the Center’s size and other cost considerations, we believe the cost of any further controls would outweigh the related benefits.