

Form **990**

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

2015

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Do not enter social security numbers on this form as it may be made public.
▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

A For the 2015 calendar year, or tax year beginning and ending

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization PROVIDENCE MEDICAL CENTER		D Employer identification number 47-0566524	
	Doing business as		E Telephone number (402) 375-3800	
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite 1200 PROVIDENCE ROAD		G Gross receipts \$ 23,557,766.	
	City or town, state or province, country, and ZIP or foreign postal code WAYNE, NE 68787		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	F Name and address of principal officer: JAMES FRANK SAME AS C ABOVE		H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)	

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

J Website: ▶ **WWW.PROVIDENCEMEDICAL.COM**

K Form of organization: Corporation Trust Association Other ▶ **L** Year of formation: **1975** **M** State of legal domicile: **NE**

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: SEE SCHEDULE O		
	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	7
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	5
	5 Total number of individuals employed in calendar year 2015 (Part V, line 2a)	5	237
	6 Total number of volunteers (estimate if necessary)	6	25
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	133,319.
b Net unrelated business taxable income from Form 990-T, line 34	7b	-86,678.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	75,494.	142,040.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	18,410,150.	18,547,722.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	318,480.	859,680.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	270,831.	287,175.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	19,074,955.	19,836,617.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	13,854.	13,763.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0.	0.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	10,053,113.	9,826,060.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.	0.	0.
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	8,236,982.	8,344,205.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	18,303,949.	18,184,028.
19 Revenue less expenses. Subtract line 18 from line 12	771,006.	1,652,589.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	21,068,648.	19,426,909.
	22 Net assets or fund balances. Subtract line 21 from line 20	5,620,335.	3,161,614.

Part II Signature Block

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

Sign Here	Signature of officer		Date
	JAMES FRANK, CEO Type or print name and title		
Paid Preparer Use Only	Print/Type preparer's name MARC D. BEHRENS	Preparer's signature	Date
	Firm's name ▶ SEIM JOHNSON, LLP Firm's address ▶ 18081 BURT STREET, SUITE 200 OMAHA, NE 68022-4722	Check if self-employed <input type="checkbox"/>	PTIN P01543366 Firm's EIN ▶ 47-6097913 Phone no. (402) 330-2660

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission: THE MISSION OF PROVIDENCE MEDICAL CENTER IS TO PROVIDE QUALITY HEALTH CARE IN THE SPIRIT OF CHRIST.

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

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

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

4a (Code:) (Expenses \$ 15,251,183. including grants of \$ 13,763.) (Revenue \$ 18,523,373.) PROVIDENCE MEDICAL CENTER IS A CRITICAL ACCESS 25-BED, NON-PROFIT HOSPITAL WHICH REMAINS ONE OF THE BEST SMALL, RURAL HOSPITALS IN NORTHEAST NEBRASKA, EMPLOYING OVER 200 INDIVIDUALS, AND PROVIDING STATE-OF-THE-ART HEALTHCARE TO MORE THAN 15,000 AREA RESIDENTS. PMC OFFERS ACUTE, SKILLED/SWING-BED CARE, AS WELL AS MEDICARE CERTIFIED HOME HEALTH, HOSPICE AND PRIVATE PAY PERSONAL CARE. PALLIATIVE CARE IS ALSO AVAILABLE.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O.) (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 15,251,183.

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules (continued)

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

Input box for Schedule O

Main table with columns for question number, description, and Yes/No checkboxes. Includes rows 1a-14b with various tax-related questions and numerical inputs.

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
1b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?		X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		X
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8a	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 in Schedule O		X

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		X
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	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 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records: **KIM HIXSON, CFO - 402-375-3800**
1200 PROVIDENCE ROAD, WAYNE, NE 68787

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

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

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) GALEN WISER CHAIR	1.00	X		X				0.	0.	0.
(2) LELAND MINER VICE CHAIR	1.00	X		X				0.	0.	0.
(3) NATHAN RAABE SECRETARY/TREASURER	1.00	X		X				0.	0.	0.
(4) MARK MCCORKINDALE, MD MEMBER	1.00 0.50	X						0.	0.	0.
(5) RANDY PEDERSEN MEMBER	1.00	X						0.	0.	0.
(6) KAREN HARRINGTON MEMBER	1.00	X						0.	0.	0.
(7) LYNETTE JOSLIN MEMBER	1.00 0.50	X						0.	0.	0.
(8) JAMES FRANK CEO	40.00			X				105,599.	0.	5,640.
(9) KIM HIXSON CFO	40.00			X				104,886.	0.	2,894.
(10) KIM BENTJEN DIRECTOR OF PHARMACY	40.00					X		129,869.	0.	16,469.
(11) KRIS GIESE VP RISK MANAGEMENT	40.00					X		136,633.	0.	6,595.
(12) GAIL MCCORKINDALE DIRECTOR OF THERAPY SERVICES	40.00					X		117,051.	0.	7,956.
(13) KARLENE MEYER DIRECTOR OF SURGERY	40.00					X		102,422.	0.	14,396.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
1b Sub-total							696,460.	0.	53,950.	
c Total from continuation sheets to Part VII, Section A							0.	0.	0.	
d Total (add lines 1b and 1c)							696,460.	0.	53,950.	

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 **6**

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
TODD LUEDEKE PC, CRNA 85726 575 AVE, WAYNE, NE 68787	CRNA ANESTHESIA SERVICES	441,040.

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 **1**

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	89,908.					
	e Government grants (contributions)	1e	31,708.					
	f All other contributions, gifts, grants, and similar amounts not included above	1f	20,424.					
	g Noncash contributions included in lines 1a-1f: \$							
	h Total. Add lines 1a-1f			142,040.				
Program Service Revenue	2 a MEDICARE/MEDICAID	Business Code	621110	10,425,295.	10,425,295.			
	b NET PATIENT SERVICE REVENUE		621110	7,309,810.	7,309,810.			
	c EHR INCENTIVE PAYMENT		900099	537,872.	537,872.			
	d MISC MEDICAL REVENUE		621990	154,199.	20,880.	133,319.		
	e MISC OUTSIDE MEDICAL SERVICES		624100	120,546.	120,546.			
	f All other program service revenue							
	g Total. Add lines 2a-2f			18,547,722.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			63,682.			63,682.	
	4 Income from investment of tax-exempt bond proceeds							
	5 Royalties							
	6 a Gross rents	(i) Real		132,152.				
		(ii) Personal						
		Less: rental expenses		0.				
	c Rental income or (loss)		132,152.					
	d Net rental income or (loss)			132,152.			132,152.	
	7 a Gross amount from sales of assets other than inventory	(i) Securities		4,493,369.				
		(ii) Other		23,778.				
		Less: cost or other basis and sales expenses		3,721,149.	0.			
		c Gain or (loss)		772,220.	23,778.			
	d Net gain or (loss)			795,998.			795,998.	
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a						
		b Less: direct expenses						
c Net income or (loss) from fundraising events								
9 a Gross income from gaming activities. See Part IV, line 19	a							
	b Less: direct expenses							
	c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances	a							
	b Less: cost of goods sold							
	c Net income or (loss) from sales of inventory							
Miscellaneous Revenue			Business Code					
11 a MISCELLANEOUS REVENUE		900099	71,720.	71,720.				
b EMPLOYEE CAFETERIA		722210	46,053.			46,053.		
c LIFELINE		642191	37,250.	37,250.				
d All other revenue								
e Total. Add lines 11a-11d			155,023.					
12 Total revenue. See instructions.			19,836,617.	18,523,373.	133,319.	1,037,885.		

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	13,763.	13,763.		
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	219,019.		219,019.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	217,175.	217,175.		
7 Other salaries and wages	7,768,643.	6,442,653.	1,325,990.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	179,604.	145,852.	33,752.	
9 Other employee benefits	852,835.	662,416.	190,419.	
10 Payroll taxes	588,784.	476,799.	111,985.	
11 Fees for services (non-employees):				
a Management				
b Legal	17,103.		17,103.	
c Accounting	65,450.		65,450.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	17,722.		17,722.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	2,343,006.	2,259,864.	83,142.	
12 Advertising and promotion	161,432.	28,290.	133,142.	
13 Office expenses	1,218,411.	883,105.	335,306.	
14 Information technology				
15 Royalties				
16 Occupancy	354,080.	307,175.	46,905.	
17 Travel	127,406.	69,647.	57,759.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	33,598.	29,147.	4,451.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,380,834.	1,197,916.	182,918.	
23 Insurance	151,196.	151,196.		
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a MEDICAL SUPPLIES	1,839,882.	1,839,882.		
b BAD DEBT	445,516.	445,516.		
c CONTINUING EDUCATION &	98,940.	37,593.	61,347.	
d DUES & SUBSCRIPTIONS	64,145.	34,259.	29,886.	
e All other expenses	25,484.	8,935.	16,549.	
25 Total functional expenses. Add lines 1 through 24e	18,184,028.	15,251,183.	2,932,845.	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)		(B)	
		Beginning of year		End of year	
Assets	1 Cash - non-interest-bearing	200.	1	200.	
	2 Savings and temporary cash investments	2,067,937.	2	1,326,935.	
	3 Pledges and grants receivable, net		3		
	4 Accounts receivable, net	3,504,245.	4	3,656,909.	
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5		
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6		
	7 Notes and loans receivable, net		7		
	8 Inventories for sale or use	430,229.	8	360,227.	
	9 Prepaid expenses and deferred charges	113,052.	9	204,573.	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 23,281,306.			
	b Less: accumulated depreciation	10b 11,290,208.	9,592,828.	10c	11,991,098.
	11 Investments - publicly traded securities	5,099,341.	11	1,275,015.	
	12 Investments - other securities. See Part IV, line 11		12		
	13 Investments - program-related. See Part IV, line 11		13		
	14 Intangible assets		14		
	15 Other assets. See Part IV, line 11	260,816.	15	611,952.	
16 Total assets. Add lines 1 through 15 (must equal line 34)	21,068,648.	16	19,426,909.		
Liabilities	17 Accounts payable and accrued expenses	1,176,503.	17	1,771,557.	
	18 Grants payable		18		
	19 Deferred revenue		19		
	20 Tax-exempt bond liabilities		20	647,731.	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21		
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22		
	23 Secured mortgages and notes payable to unrelated third parties	3,885,559.	23	625,590.	
	24 Unsecured notes and loans payable to unrelated third parties		24		
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	558,273.	25	116,736.	
	26 Total liabilities. Add lines 17 through 25	5,620,335.	26	3,161,614.	
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27 Unrestricted net assets	15,418,463.	27	16,235,350.	
	28 Temporarily restricted net assets	9,850.	28	9,945.	
	29 Permanently restricted net assets	20,000.	29	20,000.	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.				
	30 Capital stock or trust principal, or current funds		30		
	31 Paid-in or capital surplus, or land, building, or equipment fund		31		
	32 Retained earnings, endowment, accumulated income, or other funds		32		
	33 Total net assets or fund balances	15,448,313.	33	16,265,295.	
	34 Total liabilities and net assets/fund balances	21,068,648.	34	19,426,909.	

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	19,836,617.
2	Total expenses (must equal Part IX, column (A), line 25)	2	18,184,028.
3	Revenue less expenses. Subtract line 2 from line 1	3	1,652,589.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	15,448,313.
5	Net unrealized gains (losses) on investments	5	-835,607.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	16,265,295.

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
b	Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? _____		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits _____		

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2015

Open to Public Inspection

Name of the organization **PROVIDENCE MEDICAL CENTER** Employer identification number **47-0566524**

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

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
Total						

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(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) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2015 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2014 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2015. 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 - 2014. 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 - 2015. 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 - 2014. 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 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(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) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources ...						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2015 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2014 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2015 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2014 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2015. 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 - 2014. 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 11 on Part I. If you checked 11a of Part I, complete Sections A and B. If you checked 11b of Part I, complete Sections A and C. If you checked 11c of Part I, complete Sections A, D, and E. If you checked 11d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No" describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 11a or 11b in Part I, answer (b) and (c) below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
b A family member of a person described in (a) above?		
c A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI .		
11a		
11b		
11c		

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.		
1		
2		
3		

Section E. Type III Functionally-Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions):			
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.			
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.			
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).			
2 Activities Test. Answer (a) and (b) below.		Yes	No
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.			
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.			
3 Parent of Supported Organizations. Answer (a) and (b) below.			
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI .			
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.			
2a			
2b			
3a			
3b			

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

1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970. See instructions. All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6 and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions).		

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

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions.	
7 Total annual distributions. Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9 Distributable amount for 2015 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2015	(iii) Distributable Amount for 2015
1 Distributable amount for 2015 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2015 (reasonable cause required-see instructions)			
3 Excess distributions carryover, if any, to 2015:			
a			
b			
c			
d From 2013			
e From 2014			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2015 distributable amount			
i Carryover from 2010 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2015 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2015 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2015, if any. Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions).			
6 Remaining underdistributions for 2015. Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions).			
7 Excess distributions carryover to 2016. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a			
b			
c Excess from 2013			
d Excess from 2014			
e Excess from 2015			

Part VI

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

Lined area for supplemental information.

Schedule B

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

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2015

Name of the organization

PROVIDENCE MEDICAL CENTER

Employer identification number

47-0566524

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

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

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

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

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

501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

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

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

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

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

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2015)

Name of organization PROVIDENCE MEDICAL CENTER	Employer identification number 47-0566524
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	<hr/> <hr/> <hr/>	\$ 89,908.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	<hr/> <hr/> <hr/>	\$ 21,708.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	<hr/> <hr/> <hr/>	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization PROVIDENCE MEDICAL CENTER	Employer identification number 47-0566524
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

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

Name of organization PROVIDENCE MEDICAL CENTER	Employer identification number 47-0566524
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Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once.) ▶ \$ _____
Use duplicate copies of Part III if additional space is needed.

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

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

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

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

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

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

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

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

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2015

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

For Organizations Exempt From Income Tax Under section 501(c) and section 527

- ▶ **Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.**
- ▶ **Information about Schedule C (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.**

If the organization answered "Yes," on Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," on Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," on Form 990, Part IV, line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization PROVIDENCE MEDICAL CENTER	Employer identification number 47-0566524
--	---

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
- 2 Political expenditures ▶ \$ _____
- 3 Volunteer hours _____

Part I-B Complete if the organization is exempt under section 501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$ _____
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$ _____
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
- 4a Was a correction made? Yes No
- b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$ _____
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$ _____
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ \$ _____
- 4 Did the filing organization file **Form 1120-POL** for this year? Yes No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule C (Form 990 or 990-EZ) 2015

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A** Check if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B** Check if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b Total lobbying expenditures to influence a legislative body (direct lobbying)														
c Total lobbying expenditures (add lines 1a and 1b)														
d Other exempt purpose expenditures														
e Total exempt purpose expenditures (add lines 1c and 1d)														
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:35%; text-align:left;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width:65%; text-align:left;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e.													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.													
Over \$17,000,000	\$1,000,000.													
g Grassroots nontaxable amount (enter 25% of line 1f)														
h Subtract line 1g from line 1a. If zero or less, enter -0-														
i Subtract line 1f from line 1c. If zero or less, enter -0-														
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	<input type="checkbox"/> Yes	<input type="checkbox"/> No												

4-Year Averaging Period Under section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

	(a)		(b)
	Yes	No	Amount
<i>For each "Yes," response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.</i>			
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? ..		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		1,901.
j Total. Add lines 1c through 1i			1,901.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carry over lobbying and political expenditures from the prior year?	3	

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No," OR (b) Part III-A, line 3, is answered "Yes."

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, lines 1 and 2 (see instructions); and Part II-B, line 1. Also, complete this part for any additional information.

PART II-B, LINE 1, LOBBYING ACTIVITIES:

DUES PAID TO AHA & NHA CONTAIN A PORTION FOR LOBBYING EXPENSES.

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.**

▶ **Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.**

OMB No. 1545-0047

2015

Open to Public Inspection

Name of the organization PROVIDENCE MEDICAL CENTER **Employer identification number** 47-0566524

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

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).
 Preservation of land for public use (e.g., recreation or education) Preservation of a historically important land area
 Protection of natural habitat Preservation of a certified historic structure
 Preservation of open space

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

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

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

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

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

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

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

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

(ii) Assets included in Form 990, Part X

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

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

b Assets included in Form 990, Part X

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

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

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

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

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

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

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

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

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

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	20,000.	20,000.	20,000.	20,000.	20,000.
b Contributions					
c Net investment earnings, gains, and losses	95.	116.	104.	50.	
d Grants or scholarships					
e Other expenditures for facilities and programs	95.	116.	104.	50.	
f Administrative expenses					
g End of year balance	20,000.	20,000.	20,000.	20,000.	20,000.

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

- a Board designated or quasi-endowment .00 %
- b Permanent endowment 100.00 %
- c Temporarily restricted endowment .00 %

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		X
(ii) related organizations		X

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

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

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		42,600.		42,600.
b Buildings		11,456,808.	5,295,209.	6,161,599.
c Leasehold improvements				
d Equipment		9,995,570.	5,994,999.	4,000,571.
e Other		1,786,328.		1,786,328.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				11,991,098.

Part VII Investments - Other Securities.

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

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

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

Part IX Other Assets.

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

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

Part X Other Liabilities.

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) ESTIMATED THIRD-PARTY PAYOR	
(3) SETTLEMENTS	116,736.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	116,736.

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

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

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

1	Total revenue, gains, and other support per audited financial statements		1	18,537,772.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains (losses) on investments	2a	-835,607.	
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d	2e	-835,607.	
3	Subtract line 2e from line 1		3	19,373,379.
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	17,722.	
b	Other (Describe in Part XIII.)	4b	445,516.	
c	Add lines 4a and 4b	4c	463,238.	
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)		5	19,836,617.

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	17,720,790.
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	17,720,790.
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	17,722.	
b	Other (Describe in Part XIII.)	4b	445,516.	
c	Add lines 4a and 4b	4c	463,238.	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)		5	18,184,028.

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:

INVESTMENT INCOME IS TO BE USED FOR THE MAINTENANCE OF THE CHAPLAIN AREA WHICH CONSISTS OF THE EDUCATION ROOM AND ADJOINING OFFICES.

PART X, LINE 2:

THE MEDICAL CENTER IS A NOT-FOR-PROFIT CORPORATION AS DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE. THE MEDICAL CENTER HAS RECEIVED A DETERMINATION LETTER THAT IT IS EXEMPT FROM FEDERAL INCOME TAXES ON RELATED INCOME PURSUANT TO SECTION 501(A) OF THE INTERNAL REVENUE CODE. THE INTERNAL REVENUE SERVICE HAS ESTABLISHED STANDARDS TO BE MET TO MAINTAIN TAX EXEMPT STATUS. IN GENERAL, SUCH STANDARDS REQUIRE THE MEDICAL CENTER TO MEET A COMMUNITY BENEFIT STANDARD AND COMPLY WITH

Part XIII Supplemental Information (continued)

VARIOUS LAWS AND REGULATIONS.

THE MEDICAL CENTER ACCOUNTS FOR UNCERTAINTIES IN ACCOUNTING FOR INCOME TAX ASSETS AND LIABILITIES USING GUIDANCE INCLUDED IN FASB ASC TOPIC 740, INCOME TAXES. THE MEDICAL CENTER RECOGNIZES THE EFFECT OF INCOME TAX POSITIONS ONLY IF THOSE POSITIONS ARE MORE LIKELY THAN NOT OF BEING SUSTAINED. AT DECEMBER 31, 2015 AND 2014, THE MEDICAL CENTER HAD NO UNCERTAIN TAX POSITIONS ACCRUED.

PART XI, LINE 4B - OTHER ADJUSTMENTS:

PROVISION FOR BAD DEBT 445,516.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

PROVISION FOR BAD DEBT 445,516.

**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.**
▶ **Information about Schedule H (Form 990) and its instructions is at www.irs.gov/form990.**

OMB No. 1545-0047

2015

**Open to Public
Inspection**

Name of the organization **PROVIDENCE MEDICAL CENTER** Employer identification number **47-0566524**

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 type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care:	<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %		
b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care:	<input checked="" type="checkbox"/>	
<input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>290</u> %		
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	<input checked="" type="checkbox"/>	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		<input checked="" type="checkbox"/>
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
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)			103,867.		103,867.	.59%
b Medicaid (from Worksheet 3, column a)			812,482.	568,479.	244,003.	1.38%
c Costs of other means-tested government programs (from Worksheet 3, column b)			749,038.	747,903.	1,135.	.01%
d Total Financial Assistance and Means-Tested Government Programs			1665387.	1316382.	349,005.	1.98%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			397,633.	146,449.	251,184.	1.42%
j Total. Other Benefits			397,633.	146,449.	251,184.	1.42%
k Total. Add lines 7d and 7j			2063020.	1462831.	600,189.	3.40%

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

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

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	7,713,016.
6	Enter Medicare allowable costs of care relating to payments on line 5	7,755,686.
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	-42,670.
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input checked="" type="checkbox"/> Other	

Section C. Collection Practices

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

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

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

Part V Facility Information

Section A. Hospital Facilities

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

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

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

**1 PROVIDENCE MEDICAL CENTER
1200 PROVIDENCE ROAD
WAYNE, NE 68787
WWW.PROVIDENCEMEDICAL.COM
800001**

Licensed hospital	Gen. medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
X	X			X		X			

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 PROVIDENCE MEDICAL CENTER

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

	Yes	No
Community Health Needs Assessment		
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?		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 type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>13</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>WWW.PROVIDENCEMEDICAL.COM</u>		
b <input type="checkbox"/> Other website (list url):		
c <input 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>13</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	X	
a If "Yes," (list url): <u>WWW.PROVIDENCEMEDICAL.COM</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?		X
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 PROVIDENCE MEDICAL CENTER

	Yes	No
<p>Did the hospital facility have in place during the tax year a written financial assistance policy that:</p> <p>13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?</p> <p>If "Yes," indicate the eligibility criteria explained in the FAP:</p> <p>a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>100</u> % and FPG family income limit for eligibility for discounted care of <u>290</u> %</p> <p>b <input checked="" type="checkbox"/> Income level other than FPG (describe in Section C)</p> <p>c <input checked="" type="checkbox"/> Asset level</p> <p>d <input checked="" type="checkbox"/> Medical indigency</p> <p>e <input checked="" type="checkbox"/> Insurance status</p> <p>f <input checked="" type="checkbox"/> Underinsurance status</p> <p>g <input type="checkbox"/> Residency</p> <p>h <input checked="" type="checkbox"/> Other (describe in Section C)</p>	X	
14 Explained the basis for calculating amounts charged to patients?	X	
15 Explained the method for applying for financial assistance?	X	
<p>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):</p> <p>a <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application</p> <p>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</p> <p>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</p> <p>d <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications</p> <p>e <input checked="" type="checkbox"/> Other (describe in Section C)</p>		
16 Included measures to publicize the policy within the community served by the hospital facility?	X	
<p>If "Yes," indicate how the hospital facility publicized the policy (check all that apply):</p> <p>a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>SEE PART V, PAGE 7</u></p> <p>b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>SEE PART V, PAGE 7</u></p> <p>c <input type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): _____</p> <p>d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)</p> <p>e <input type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)</p> <p>f <input 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)</p> <p>g <input type="checkbox"/> Notice of availability of the FAP was conspicuously displayed throughout the hospital facility</p> <p>h <input type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP</p> <p>i <input type="checkbox"/> Other (describe in Section C)</p>		

Billing and Collections

17 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon non-payment?	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"/> Actions that require a legal or judicial process		
d <input type="checkbox"/> Other similar actions (describe in Section C)		
e <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted		

Part V Facility Information (continued)

Name of hospital facility or letter of facility reporting group PROVIDENCE MEDICAL CENTER

		Yes	No
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"/> Actions that require a legal or judicial process		
d	<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"/> Notified individuals of the financial assistance policy on admission		
b	<input checked="" type="checkbox"/> Notified individuals of the financial assistance policy prior to discharge		
c	<input checked="" type="checkbox"/> Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills		
d	<input type="checkbox"/> Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy		
e	<input checked="" type="checkbox"/> Other (describe in Section C)		
f	<input type="checkbox"/> None of these efforts were made		

Policy Relating to Emergency Medical Care

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

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

22	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.		
a	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input checked="" type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input type="checkbox"/> Other (describe in Section C)		
23	During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?		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?		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, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2" "B, 3," etc.) and name of hospital facility.

PROVIDENCE MEDICAL CENTER:

PART V, SECTION B, LINE 5: PROVIDENCE MEDICAL CENTER (PMC) COLLABORATED WITH THE NORTHEAST NEBRASKA PUBLIC HEALTH DEPARTMENT (NNPHD), WITH NNPHD TAKING THE LEAD, AND WITH PENDER COMMUNITY HOSPITAL IN PENDER, NEBRASKA, TO COMPLETE A HEALTH NEEDS ASSESSMENT FOR THE CITIZENS OF OUR SERVICE AREA. THE CHNA WAS DEVELOPED AND CONDUCTED BY A CONSULTANT COORDINATED THROUGH THE NNPHD. THE PMC SERVICE AREA IS WITHIN 50 MILES FROM WAYNE, NEBRASKA AND PRIMARILY INCLUDES WAYNE, CEDAR, DIXON AND THURSTON COUNTIES. PMC ALSO HAS ADDITIONAL MARKET SHARE THAT INCLUDES PARTS OF CUMING, PIERCE AND STANTON COUNTIES.

PROVIDENCE MEDICAL CENTER:

PART V, SECTION B, LINE 6A: PENDER COMMUNITY HOSPITAL

PROVIDENCE MEDICAL CENTER:

PART V, SECTION B, LINE 6B: NORTHEAST NEBRASKA PUBLIC HEALTH DEPARTMENT

PROVIDENCE MEDICAL CENTER:

PART V, SECTION B, LINE 11: THE IMPLEMENTATION STRATEGY THAT ADDRESSES SIGNIFICANT NEEDS IDENTIFIED IN THE CHNA IS ON THE HOSPITAL'S WEBSITE: WWW.PROVIDENCEMEDICAL.COM.

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2" "B, 3," etc.) and name of hospital facility.

PROVIDENCE MEDICAL CENTER:

PART V, SECTION B, LINE 13H: PROVIDENCE MEDICAL CENTER CONSIDERS A PATIENT'S EMPLOYMENT STATUS, OTHER EXISTING FINANCIAL OBLIGATIONS, AND ANY OTHER RELEVANT FACTORS IN DETERMINING ELIGIBILITY FOR FINANCIAL ASSISTANCE.

PROVIDENCE MEDICAL CENTER:

PART V, SECTION B, LINE 15E: PROVIDENCE MEDICAL CENTER MAY ASSIST PATIENTS IN APPLYING FOR MEDICARE, MEDICAID, AND OTHER GOVERNMENTAL MEDICAL ASSISTANCE PROGRAMS.

PROVIDENCE MEDICAL CENTER

PART V, LINE 16A, FAP WEBSITE:

[HTTP://WWW.PROVIDENCEMEDICAL.COM/VNEWS/DISPLAY.V/SEC/PATIENT%20INFO%7CFINAN](http://www.providencemedical.com/vnews/display.v/SEC/PATIENT%20INFO%7CFINAN)

PROVIDENCE MEDICAL CENTER

PART V, LINE 16B, FAP APPLICATION WEBSITE:

[HTTP://WWW.PROVIDENCEMEDICAL.COM/VIMAGES/SHARED/VNEWS/STORIES/4E1CBEB5037F](http://www.providencemedical.com/vimages/shared/vnews/stories/4E1CBEB5037F)

PROVIDENCE MEDICAL CENTER:

PART V, SECTION B, LINE 20E: MONTHLY STATEMENTS ARE SENT FOR 120 DAYS, INCLUDING COPIES OF THE FINANCIAL ASSISTANCE OPTIONS. A FINAL NOTICE IS SENT BEFORE ANY EXTRA-ORDINARY COLLECTION EFFORTS ARE MADE.

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

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

How many non-hospital health care facilities did the organization operate during the tax year? 1

Name and address	Type of Facility (describe)
<u>1</u> LAUREL THERAPY CLINIC 699 CEDAR AVENUE LAUREL, NE 68745	OUTREACH THERAPY CLINIC

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:

PROVIDENCE MEDICAL CENTER USES FEDERAL POVERTY GUIDELINES TO DETERMINE
ELIGIBILITY FOR PROVIDING FREE AND DISCOUNT CARE.

PART I, LINE 7:

COST ACCOUNTING SYSTEM WAS USED WITH THE AID OF THE GENERAL LEDGER AND THE
MEDICARE COST REPORT TO CALCULATE THE AMOUNTS REPORTED IN THE TABLE.

PART I, LINE 7G:

NO COSTS ASSOCIATED WITH PHYSICIAN CLINICS WERE INCLUDED AS SUBSIDIZED
HEALTH SERVICES.

PART I, LINE 7, COLUMN (F):

THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25(A),
BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN
THIS COLUMN IS \$ 445,516.

PART I, LINE 6A:

Part VI Supplemental Information (Continuation)

PROVIDENCE MEDICAL CENTER DOES NOT CURRENTLY PREPARE A COMMUNITY BENEFIT REPORT, HOWEVER, THE MEDICAL CENTER DOES SUBMIT COMMUNITY BENEFIT INFORMATION TO THE STATE OF NEBRASKA.

PART II:

THE ORGANIZATION DOES NOT HAVE ANY COMMUNITY BUILDING ACTIVITIES AT THIS TIME.

PART III, LINE 4:

THE HOSPITAL'S FINANCIAL STATMENTS DO NOT CONTAIN A SPECIFIC FOOTNOTE DESCRIBING BAD DEBT. HOWEVER, PAGES 7 AND 8 OF THE ATTACHED FINANCIAL STATEMENTS INCLUDE FOOTNOTES TITLED "PATIENT ACCOUNTS RECEIVABLES, NET," "NET PATIENT SERVICE REVENUE" AND "CHARITY CARE".

PART III, LINE 8:

THE SHORTFALL SHOULD BE TREATED AS A COMMUNITY BENEFITS EXPENSE BECAUSE PROVIDING MEDICAL CARE AT A SHORTFALL IMPACTS THE HOSPITAL'S OPERATIONS AND GROWTH. THE CARE IS PROVIDED BECAUSE THERE IS A NEED AND A DESIRE TO PROVIDE MEDICAL CARE IN THIS COMMUNITY.

PMC USED WORKSHEETS E-3 PART V, E PART B, D-1, D-3, E-2, H-3 PART I, AND H-4 PART II OF THE MEDICARE COST REPORT FOR THE YEAR ENDED DECEMBER 31, 2015 TO CALCULATE TOTAL REVENUE FROM MEDICARE AND MEDICARE ALLOWABLE COSTS OF CARE.

PART III, LINE 9B:

PROVIDENCE MEDICAL CENTER HAS A STRONG COMMITMENT TO THE COMMUNITY AND TO THE PATIENTS THAT WE SERVE. MEDICAL TREATMENT IS PROVIDED TO ALL PATIENTS

Part VI Supplemental Information (Continuation)

REGARDLESS OF THEIR ABILITY TO PAY. IN DOING SO, WE SHALL: INFORM THE PUBLIC OF THE AVAILABILITY OF ALTERNATIVE PAYMENT ARRANGEMENTS, INCLUDING PAYMENT PLANS AND FINANCIAL ASSISTANCE PROGRAMS; PROVIDE FINANCIAL COUNSELING TO PATIENTS ABOUT THEIR HOSPITAL BILLS; RESPOND PROMPTLY TO PATIENTS' QUESTIONS ABOUT THEIR BILLS AND REQUESTS FOR FINANCIAL HELP THROUGH AN ACCEPTABLE PAYMENT PLAN AND/OR THROUGH FINANCIAL ASSISTANCE; AND PURSUE COLLECTION OF ACCOUNTS FAIRLY AND CONSISTENTLY AND WITHIN OUR WRITTEN GUIDELINES AND ENSURE THAT AGENCIES ACTING ON OUR BEHALF IN THE COLLECTION OF DEBT ALSO ACT IN ACCORDANCE WITH OUR MISSION AND GUIDELINES.

PART VI, LINE 2:

PMC WORKS WITH THE STATE OF NEBRASKA AND THE NEBRASKA HOSPITAL ASSOCIATION TO REVIEW PATIENT DATA AND OUTCOMES. ONE OF THE PRODUCTS USED IS COMS (CLINICAL OUTCOMES MEASUREMENT SYSTEM) WHICH GIVES OUTCOMES DATA FOR MORBIDITY AND MORTALITY FOR THE STATE OF NEBRASKA AND OUR SERVICE AREA. PMC ALSO HAS WORKED WITH THE NORTHEAST NEBRASKA PUBLIC HEALTH DEPARTMENT WITH MAPP WHICH IS "MOBILIZING FOR ACTION THROUGH PLANNING AND PARTNERSHIP", WHICH IDENTIFIES PUBLIC HEALTH ISSUES AND FINDS RESOURCES TO ADDRESS THEM. THIS IS DONE EVERY FEW YEARS AND WAS LAST DONE IN 2013.

PART VI, LINE 3:

PAYMENT POLICIES AND FINANCIAL ASSISTANCE INSTRUCTIONS ARE GIVEN WITH ADMISSION DOCUMENTS, INCLUDED WITH EACH BILL, UPLOADED ON PMC'S WEBSITE, AND POSTED THROUGHOUT PMC'S FACILITIES.

PART VI, LINE 4:

THE HEALTHCARE FACILITY IS LOCATED IN WAYNE, NEBRASKA WHERE IT SERVES RESIDENTS OF NORTHEASTERN NEBRASKA. THE POPULATION BASE FROM THE NEARBY

Part VI Supplemental Information (Continuation)

COMMUNITIES IS APPROXIMATELY 9,600 WITH AN AVERAGE INCOME OF APPROXIMATELY 45,000.

PART VI, LINE 5:

THE HOSPITAL HAS A COMMUNITY BOARD WITH MEMBERS THAT REPRESENT DIFFERENT TOWNS IN OUR SERVICE AREA. WE STRIVE TO INVEST OUR FUNDS IN BANKS THROUGH OUR SERVICE AREA. ALSO THE HOSPITAL'S ADMITTING PHYSICIANS ARE PRIMARILY PRACTITIONERS IN THE LOCAL AREA.

PART VI, LINE 6:

THE HOSPITAL IS NOT AFFILIATED WITH ANY OTHER HEALTH SYSTEM AT THIS TIME.

**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.

▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2015

Open to Public Inspection

Name of the organization

PROVIDENCE MEDICAL CENTER

Employer identification number

47-0566524

Part I Questions Regarding Compensation

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

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

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

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

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

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

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

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

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

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

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

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

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

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

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

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

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

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

Schedule J (Form 990) 2015

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 are not listed on Form 990, Part VII.

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
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	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Supplemental Information on Tax-Exempt Bonds

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.**

▶ **Attach to Form 990.** ▶ **Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.**

Name of the organization
PROVIDENCE MEDICAL CENTER

Employer identification number
47-0566524

Part I Bond Issues											
SEE PART VI FOR COLUMN (F) CONTINUATIONS											
(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
THE COUNTY OF WAYNE, IN A THE STATE OF NEBRASKA	47-6006517	NONEAVAIL	07/31/15	8,400,000.	TO CONSTRUCT AND EQUIP HOSPITAL FA		X		X		X
B											
C											
D											

Part II Proceeds										
	A		B		C		D			
1 Amount of bonds retired										
2 Amount of bonds legally defeased										
3 Total proceeds of issue	8,400,000.									
4 Gross proceeds in reserve funds										
5 Capitalized interest from proceeds	2,347.									
6 Proceeds in refunding escrows										
7 Issuance costs from proceeds	263,936.									
8 Credit enhancement from proceeds										
9 Working capital expenditures from proceeds										
10 Capital expenditures from proceeds	381,448.									
11 Other spent proceeds										
12 Other unspent proceeds	7,752,269.									
13 Year of substantial completion										
	Yes	No	Yes	No	Yes	No	Yes	No		
14 Were the bonds issued as part of a current refunding issue?		X								
15 Were the bonds issued as part of an advance refunding issue?		X								
16 Has the final allocation of proceeds been made?		X								
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?		X								

Part III Private Business Use								
	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2 Are there any lease arrangements that may result in private business use of bond-financed property?		X						

Part III Private Business Use (Continued)

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

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X						
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?	X							
b Exception to rebate?		X						
c No rebate due?		X						
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?		X						
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								

Part IV Arbitrage (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X						
7 Has the organization established written procedures to monitor the requirements of section 148?	X							

Part V Procedures To Undertake Corrective Action

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

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

SCHEDULE K, PART I, BOND ISSUES:

(A) ISSUER NAME: THE COUNTY OF WAYNE, IN THE STATE OF NEBRASKA

(F) DESCRIPTION OF PURPOSE: TO CONSTRUCT AND EQUIP HOSPITAL FACILITY

SCHEDULE L
(Form 990 or 990-EZ)

Transactions With Interested Persons

OMB No. 1545-0047

2015

Open To Public Inspection

Department of the Treasury
Internal Revenue Service

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
Attach to Form 990 or Form 990-EZ.
Information about Schedule L (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

Name of the organization: PROVIDENCE MEDICAL CENTER
Employer identification number: 47-0566524

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Total \$

Part III Grants or Assistance Benefiting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
GAIL MCCORKINDALE	WIFE OF BOARD MEMBE	125,007.	DIRECTOR OF		X
MICHELE DIETRICH	DAUGHTER OF BOARD M	85,474.	OCCUPATIONA		X

Part V Supplemental Information

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

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

(A) NAME OF PERSON: GAIL MCCORKINDALE

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

WIFE OF BOARD MEMBER, DR. MARK MCCORKINDALE

(D) DESCRIPTION OF TRANSACTION: DIRECTOR OF THERAPY

(A) NAME OF PERSON: MICHELE DIETRICH

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

DAUGHTER OF BOARD MEMBER, LYNETTE JOSLIN

(D) DESCRIPTION OF TRANSACTION: OCCUPATIONAL THERAPIST

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2015

Open to Public
Inspection

Name of the organization

PROVIDENCE MEDICAL CENTER

Employer identification number

47-0566524

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

WE BELIEVE THAT THE PATIENT IS THE MOST IMPORTANT PERSON IN OUR MEDICAL CENTER, THAT LIFE IS A GIFT FROM GOD, AND THAT ALL PERSONS ARE CREATED EQUAL. WE BELIEVE THAT EVERY PATIENT HAS A RIGHT TO BE ADMITTED WHEN IN NEED OF SERVICES WHICH OUR FACILITY IS EQUIPPED TO PROVIDE, PRIVACY, PROFESSIONAL DISCRETION, CONSENT TO OR REFUSAL OF TREATMENT AND MAY REQUEST THE MINISTER OF HIS/HER CHOICE. WE BELIEVE THAT OUR MEDICAL CENTER HAS THE RESPONSIBILITY TO PROVIDE ADEQUATE AND COMPETENT STAFF AND DIAGNOSTIC, PREVENTATIVE AND THERAPEUTIC FACILITIES TO ENSURE HIGH QUALITY MEDICAL CARE TO THE PATIENT, AND THAT THIS CAN ONLY BE ACHIEVED THROUGH COOPERATION AND SUPPORT AMONG THE STAFF AND COMMUNITY. WE BELIEVE THAT THE EMPLOYEES ARE ENTITLED TO JUST WAGES FOR HONEST WORK AND TO OPPORTUNITIES FOR PERSONAL AND PROFESSIONAL GROWTH. WE BELIEVE THAT OUR MEDICAL CENTER NEEDS TO PARTICIPATE ACTIVELY IN COMMUNITY PLANNING OF HEALTH AND MEDICAL CARE FACILITIES AND OPERATE IN ACCORDANCE WITH THE NEEDS OF THE CIVIC COMMUNITY.

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

THE FORM 990 IS REVIEWED AND APPROVED BY THE HOSPITAL CEO AND CFO PRIOR TO FILING. ALSO, THE FORM 990 IS DISTRIBUTED TO THE BOARD OF DIRECTORS PRIOR TO FILING AND REVIEWED IN DETAIL AT THE NEXT BOARD OF DIRECTORS MEETING FOLLOWING DISTRIBUTION.

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

PMC'S BOARD MEMBERS ARE REQUIRED TO SIGN A NEW CONFLICT OF INTEREST STATEMENT AND DISCLOSURE ANNUALLY. ANY CONFLICTS ARE REVIEWED BY THE

Name of the organization PROVIDENCE MEDICAL CENTER	Employer identification number 47-0566524
---	--

BOARD.

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

COMPENSATION PROCESS FOR OFFICERS' SALARIES AND FOR ALL EMPLOYEES ARE BASED ON THE NEBRASKA HOSPITAL ASSOCIATION'S (NHA) ANNUAL SALARY SURVEY. THE SURVEY IS CATEGORIZED BY JOB TITLES AND DETAILED BY HOURLY SALARY RANGES. NHA IS AN EXEMPT ORGANIZATION UNDER SECTION 501(C)(6) OF THE INTERNAL REVENUE CODE (TRADE ASSOCIATION), WITH ITS MEMBERS BEING THE HOSPITALS IN THE STATE OF NEBRASKA. EXECUTIVE WAGES OR SALARIES ARE NOT EVALUATED ANY DIFFERENTLY THAN OTHER EMPLOYEES. THEY RECEIVE NO PREFERENTIAL TREATMENT UNLESS THE GOVERNING BOARD MAKES A SPECIAL RECOMMENDATION. THE GUIDELINES INCLUDE: 1. A DETERMINATION OF THE FEASIBILITY OF BONUSES BASED ON AVAILABILITY OF CASH FLOW AND EXCESS REVENUE FOR THE CURRENT FISCAL YEAR. 2. DETERMINATION OF PMC'S OVERALL WAGE LEVELS BASED ON AN ANALYSIS OF WAGES AGAINST THE NHA'S SALARY SURVEY AND EMPLOYEE TIME OF SERVICE. 3. HOURLY WAGE INCREASES MAY ALSO BE GIVEN IF NEEDED TO BE COMPATIBLE OR TO COMPENSATE FOR A CHANGE IN JOB DESCRIPTIONS. 4. THE GOVERNING BOARD MAKES FINAL APPROVAL OF THE BUDGET WHICH WOULD INCLUDE ALL SALARIES AND BONUSES.

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

GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE NOT MADE AVAILABLE TO THE PUBLIC.

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

CONTRACTED SERVICES:

PROGRAM SERVICE EXPENSES	1,076,802.
MANAGEMENT AND GENERAL EXPENSES	83,142.
FUNDRAISING EXPENSES	0.

Name of the organization PROVIDENCE MEDICAL CENTER	Employer identification number 47-0566524
---	--

TOTAL EXPENSES	1,159,944.
----------------	------------

PROFESSIONAL FEES:

PROGRAM SERVICE EXPENSES	1,183,062.
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MANAGEMENT AND GENERAL EXPENSES	0.
---------------------------------	----

FUNDRAISING EXPENSES	0.
----------------------	----

TOTAL EXPENSES	1,183,062.
----------------	------------

TOTAL OTHER FEES ON FORM 990, PART IX, LINE 11G, COL A	2,343,006.
--	------------

FORM 990, PART XII, LINE 2C:

THE BOARD OF DIRECTORS ASSUMES RESPONSIBILITY FOR OVERSIGHT OF THE
 AUDIT OF PMC'S FINANCIAL STATEMENTS AND SELECTION OF THE INDEPENDENT
 ACCOUNTANT. THIS PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR.

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
- ▶ Attach to Form 990.
- ▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2015

**Open to Public
Inspection**

Name of the organization **PROVIDENCE MEDICAL CENTER** Employer identification number **47-0566524**

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
PROVIDENCE MEDICAL CENTER FOUNDATION - 47-6032846, 1200 PROVIDENCE ROAD, WAYNE, NE 68787	FUNDRAISING FOR PROVIDENCE MEDICAL CENTER	NEBRASKA	501(C)(3)	LINE 11A, I	N/A		X

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

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

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

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

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

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

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

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

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) PROVIDENCE MEDICAL CENTER FOUNDATION	C	89,908.FMV	
(2)			
(3)			
(4)			
(5)			
(6)			

Part VI Unrelated Organizations Taxable as a Partnership Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) <small>Are all partners sec. 501(c)(3) orgs.?</small>		(f) Share of total income	(g) Share of end-of-year assets	(h) <small>Dispropor- tionate allocations?</small>		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) <small>General or managing partner?</small>		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

TAX RETURN FILING INSTRUCTIONS

FORM 990-T

FOR THE YEAR ENDING
December 31, 2015

Prepared for	Providence Medical Center 1200 Providence Road Wayne, NE 68787
Prepared by	Seim Johnson, LLP 18081 Burt Street, Suite 200 Omaha, NE 68022-4722
Amount due or refund	No amount is due.
Make check payable to	No amount is due.
Mail tax return and check (if applicable) to	Department of the Treasury Internal Revenue Service Center Ogden, UT 84201-0027
Return must be mailed on or before	November 15, 2016
Special Instructions	The return should be signed and dated.

Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

2015

Department of the Treasury
Internal Revenue Service

For calendar year 2015 or other tax year beginning _____, and ending _____

▶ Information about Form 990-T and its instructions is available at www.irs.gov/form990t.
▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for
501(c)(3) Organizations Only

<p>A <input type="checkbox"/> Check box if address changed</p> <p>B Exempt under section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)</p>	<p>Print or Type</p>	<p>Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) PROVIDENCE MEDICAL CENTER</p> <p>Number, street, and room or suite no. If a P.O. box, see instructions. 1200 PROVIDENCE ROAD</p> <p>City or town, state or province, country, and ZIP or foreign postal code WAYNE, NE 68787</p>	<p>D Employer identification number (Employees' trust, see instructions.) 47-0566524</p> <p>E Unrelated business activity codes (See instructions.) 624110</p>
---	------------------------------	--	--

C Book value of all assets at end of year: **19,426,909.**

F Group exemption number (See instructions.) ▶ _____

G Check organization type ▶ 501(c) corporation 501(c) trust 401(a) trust Other trust

H Describe the organization's primary unrelated business activity. ▶ **FITNESS CENTER**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No
 If "Yes," enter the name and identifying number of the parent corporation. ▶ _____

J The books are in care of ▶ **KIM HIXSON, CFO** Telephone number ▶ **402-375-3800**

Part I Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales 133,319.			
b Less returns and allowances _____ c Balance ▶ _____	1c		
2 Cost of goods sold (Schedule A, line 7) _____	2		
3 Gross profit. Subtract line 2 from line 1c 133,319.	3		133,319.
4a Capital gain net income (attach Schedule D) _____	4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797) _____	4b		
c Capital loss deduction for trusts _____	4c		
5 Income (loss) from partnerships and S corporations (attach statement) _____	5		
6 Rent income (Schedule C) _____	6		
7 Unrelated debt-financed income (Schedule E) _____	7		
8 Interest, annuities, royalties, and rents from controlled organizations (Sch. F)...	8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		
10 Exploited exempt activity income (Schedule I) _____	10		
11 Advertising income (Schedule J) _____	11		
12 Other income (See instructions; attach schedule) _____	12		
13 Total. Combine lines 3 through 12 133,319.	13		133,319.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.)
 (Except for contributions, deductions must be directly connected with the unrelated business income.)

14 Compensation of officers, directors, and trustees (Schedule K) _____	14		
15 Salaries and wages _____	15		168,100.
16 Repairs and maintenance _____	16		6,529.
17 Bad debts _____	17		
18 Interest (attach schedule) _____	18		
19 Taxes and licenses _____	19		12,548.
20 Charitable contributions (See instructions for limitation rules) _____	20		
21 Depreciation (attach Form 4562) _____	21		
22 Less depreciation claimed on Schedule A and elsewhere on return _____	22a	22b	
23 Depletion _____	23		
24 Contributions to deferred compensation plans _____	24		3,365.
25 Employee benefit programs _____	25		15,204.
26 Excess exempt expenses (Schedule I) _____	26		
27 Excess readership costs (Schedule J) _____	27		
28 Other deductions (attach schedule) SEE STATEMENT 1	28		14,251.
29 Total deductions. Add lines 14 through 28	29		219,997.
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30		-86,678.
31 Net operating loss deduction (limited to the amount on line 30) SEE STATEMENT 2	31		
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32		-86,678.
33 Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)	33		1,000.
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34		-86,678.

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here <input type="checkbox"/> See instructions and:		
a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):		
(1) \$	(2) \$	(3) \$
b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750)		\$
(2) Additional 3% tax (not more than \$100,000)		\$
c Income tax on the amount on line 34		35c 0.
36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from:		
<input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)		36
37 Proxy tax. See instructions		37
38 Alternative minimum tax		38
39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies		39 0.

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	40a	
b Other credits (see instructions)	40b	
c General business credit. Attach Form 3800	40c	
d Credit for prior year minimum tax (attach Form 8801 or 8827)	40d	
e Total credits. Add lines 40a through 40d	40e	
41 Subtract line 40e from line 39	41	0.
42 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)	42	
43 Total tax. Add lines 41 and 42	43	0.
44a Payments: A 2014 overpayment credited to 2015	44a	
b 2015 estimated tax payments	44b	
c Tax deposited with Form 8868	44c	
d Foreign organizations: Tax paid or withheld at source (see instructions)	44d	
e Backup withholding (see instructions)	44e	
f Credit for small employer health insurance premiums (Attach Form 8941)	44f	
g Other credits and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other	44g	Total
45 Total payments. Add lines 44a through 44g	45	
46 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	46	
47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed	47	0.
48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid	48	0.
49 Enter the amount of line 48 you want: Credited to 2016 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	49	

Part V Statements Regarding Certain Activities and Other Information (see instructions)

1 At any time during the 2015 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here	Yes	No
		X
2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file.		X
3 Enter the amount of tax-exempt interest received or accrued during the tax year \$		

Schedule A - Cost of Goods Sold. Enter method of inventory valuation N/A

1 Inventory at beginning of year	1		6 Inventory at end of year	6	
2 Purchases	2		7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
3 Cost of labor	3		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
4a Additional section 263A costs (att. schedule)	4a				
b Other costs (attach schedule)	4b				
5 Total. Add lines 1 through 4b	5				

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 taxpayer) is based on all information of which preparer has any knowledge.

Sign Here
 Signature of officer _____ Date _____ CEO _____ Title _____
 May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only
 Print/Type preparer's name: **MARC D. BEHRENS**
 Preparer's signature: _____ Date: _____
 Check if self-employed PTIN: **P01543366**
 Firm's name: **SEIM JOHNSON, LLP** Firm's EIN: **47-6097913**
 18081 BURT STREET, SUITE 200
 Firm's address: **OMAHA, NE 68022-4722** Phone no. **(402) 330-2660**

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)(see instructions)

1. Description of property

(1)			
(2)			
(3)			
(4)			
2. Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)	
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)		
(1)			
(2)			
(3)			
(4)			
Total	0.	Total	0.
(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A)		(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) ...	
		0.	

Schedule E - Unrelated Debt-Financed Income (see instructions)

1. Description of debt-financed property		2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
			(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)				
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals			0.	0.
Total dividends-received deductions included in column 8				0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
Totals			0.	0.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization

(see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals		Enter here and on page 1, Part I, line 9, column (A). 0.		Enter here and on page 1, Part I, line 9, column (B). 0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income

(see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals		Enter here and on page 1, Part I, line 10, col. (A). 0.	Enter here and on page 1, Part I, line 10, col. (B). 0.			Enter here and on page 1, Part II, line 26. 0.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))		0.	0.			0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals from Part I		0.	0.			0.
Totals, Part II (lines 1-5)		Enter here and on page 1, Part I, line 11, col. (A). 0.	Enter here and on page 1, Part I, line 11, col. (B). 0.			Enter here and on page 1, Part II, line 27. 0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14			0.

FORM 990-T	OTHER DEDUCTIONS	STATEMENT	1
DESCRIPTION		AMOUNT	
SUPPLIES		10,448.	
CONTRACTED SERVICES		1,010.	
DUES & SUBSCRIPTIONS		2,181.	
EDUCATION & TRAINING		612.	
TOTAL TO FORM 990-T, PAGE 1, LINE 28		14,251.	

FORM 990-T	NET OPERATING LOSS DEDUCTION	STATEMENT	2	
TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING	AVAILABLE THIS YEAR
12/31/11	36,319.	0.	36,319.	36,319.
12/31/12	83,402.	0.	83,402.	83,402.
12/31/13	77,365.	0.	77,365.	77,365.
12/31/14	155,451.	0.	155,451.	155,451.
NOL CARRYOVER AVAILABLE THIS YEAR			352,537.	352,537.

• If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box **X**

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Enter filer's identifying number, see instructions

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. PROVIDENCE MEDICAL CENTER	Employer identification number (EIN) or 47-0566524
	Number, street, and room or suite no. If a P.O. box, see instructions. 1200 PROVIDENCE ROAD	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. WAYNE, NE 68787	

Enter the Return code for the return that this application is for (file a separate application for each return)

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01		
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

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

KIM HIXSON, CFO

• The books are in the care of **1200 PROVIDENCE ROAD - WAYNE, NE 68787**
 Telephone No. **402-375-3800** Fax No. **402-375-7989**

• If the organization does not have an office or place of business in the United States, check this box

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **NOVEMBER 15, 2016**.

5 For calendar year **2015**, or other tax year beginning _____, and ending _____.

6 If the tax year entered in line 5 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

7 State in detail why you need the extension
ALL OF THE INFORMATION NECESSARY TO FILE A COMPLETE AND ACCURATE RETURN IS NOT YET AVAILABLE.

8a 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.	8a	\$	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 and any amount paid previously with Form 8868.	8b	\$	0.
c Balance due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$	0.

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature Title **CPA** Date

Electronic Filing PDF Attachment

Providence Medical Center
Wayne, Nebraska

Financial Statements
December 31, 2015 and 2014

Together with Independent Auditor's Report

Providence Medical Center

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Independent Auditor's Report

To the Board of Directors of
Providence Medical Center
Wayne, Nebraska:

Report on the Financial Statements

We have audited the accompanying financial statements of Providence Medical Center (Medical Center), which comprise the balance sheets as of December 31, 2015 and 2014, and the related statements of operations, changes in net assets and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Medical Center as of December 31, 2015 and 2014, and the results of its operations, changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

SEIM JOHNSON, LLP.

Omaha, Nebraska,
May 23, 2016.

Providence Medical Center

Balance Sheets

December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,184,943	1,437,398
Receivables -		
Patients, net of allowance for doubtful accounts of \$672,057 in 2015 and \$806,989 in 2014	3,229,295	3,063,437
Other	427,614	440,808
Inventories	360,227	430,229
Prepaid expenses	<u>204,573</u>	<u>113,052</u>
Total current assets	5,406,652	5,484,924
Assets limited as to use	1,682,648	5,990,896
Property and equipment, net	11,991,098	9,592,828
Deferred financing costs, net	297,702	--
Other assets	<u>48,809</u>	<u>--</u>
Total assets	<u>\$ 19,426,909</u>	<u>21,068,648</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Current portion of long-term debt	\$ 191,562	273,643
Accounts payable:		
Trade	541,975	329,216
Construction	648,717	--
Accrued salaries, vacation and benefits payable	580,865	847,287
Estimated third-party payor settlements - Medicare and Medicaid	<u>116,736</u>	<u>558,273</u>
Total current liabilities	2,079,855	2,008,419
Long-term debt, net of current portion	<u>1,081,759</u>	<u>3,611,916</u>
Total liabilities	<u>3,161,614</u>	<u>5,620,335</u>
Net assets:		
Unrestricted	16,235,350	15,418,463
Temporarily restricted	9,945	9,850
Permanently restricted	<u>20,000</u>	<u>20,000</u>
Total net assets	<u>16,265,295</u>	<u>15,448,313</u>
Total liabilities and net assets	<u>\$ 19,426,909</u>	<u>21,068,648</u>

See notes to financial statements

Providence Medical Center

Statements of Operations For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
UNRESTRICTED REVENUE:		
Net patient service revenue	\$ 17,735,105	18,004,314
Provision for bad debts	<u>(445,516)</u>	<u>(523,630)</u>
Net patient service revenue less provision for bad debts	17,289,589	17,480,684
Other revenue	<u>1,123,570</u>	<u>742,249</u>
Total unrestricted revenue	<u>18,413,159</u>	<u>18,222,933</u>
EXPENSES:		
Salaries	8,183,906	8,060,541
Employee benefits	1,642,153	1,992,564
Professional and purchased services	2,425,559	2,372,096
Repairs and maintenance	707,077	449,683
Supplies and other expenses	3,347,663	3,355,400
Depreciation and amortization	1,380,834	1,317,635
Interest	<u>33,598</u>	<u>214,675</u>
Total expenses	<u>17,720,790</u>	<u>17,762,594</u>
OPERATING INCOME	<u>692,369</u>	<u>460,339</u>
NONOPERATING GAINS, NET:		
Unrestricted gifts, grants, and bequests	142,040	75,162
Investment income, net	<u>818,085</u>	<u>235,411</u>
Nonoperating gains, net	<u>960,125</u>	<u>310,573</u>
EXCESS OF REVENUE OVER EXPENSES	1,652,494	770,912
NET CHANGE IN UNREALIZED GAINS AND LOSSES ON OTHER THAN TRADING SECURITIES	<u>(835,607)</u>	<u>51,094</u>
INCREASE IN UNRESTRICTED NET ASSETS	<u>\$ 816,887</u>	<u>822,006</u>

See notes to financial statements

Providence Medical Center

Statements of Changes in Net Assets For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
UNRESTRICTED NET ASSETS:		
Operating income	\$ 692,369	460,339
Nonoperating gains, net	960,125	310,573
Net change in unrealized gains and losses on other than trading securities	<u>(835,607)</u>	<u>51,094</u>
Increase in unrestricted net assets	816,887	822,006
TEMPORARILY RESTRICTED NET ASSETS, Investment income, net	<u>95</u>	<u>94</u>
INCREASE IN NET ASSETS	816,982	822,100
NET ASSETS, beginning of year	<u>15,448,313</u>	<u>14,626,213</u>
NET ASSETS, end of year	<u>\$ 16,265,295</u>	<u>15,448,313</u>

See notes to financial statements

Providence Medical Center

Statements of Cash Flows For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 816,982	822,100
Adjustments to reconcile the change in net assets to net cash provided by operating activities -		
Depreciation and amortization	1,380,834	1,317,635
Net change in unrealized gains and losses on other than trading securities	835,607	(51,094)
Gain on disposal of property and equipment	(23,778)	(65,250)
Restricted investment income	(95)	(94)
(Increase) decrease in current assets -		
Receivables -		
Patients	(165,858)	699,475
Other	13,194	(369,314)
Inventories	70,002	(14,505)
Prepaid expenses	(91,521)	5,728
Estimated third-party settlements - Medicare and Medicaid	--	86,294
Increase (decrease) in current liabilities -		
Accounts payable - trade	212,759	(62,352)
Accrued salaries, vacation and benefits payable	(266,422)	50,554
Estimated third-party settlements - Medicare and Medicaid	(441,537)	558,273
Net cash provided by operating activities	<u>2,340,167</u>	<u>2,977,450</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment, net	(3,106,609)	(889,875)
Investment in other assets	(48,809)	--
Withdrawals from assets limited as to use, net	<u>3,472,641</u>	<u>1,042,440</u>
Net cash provided by investing activities	<u>317,223</u>	<u>152,565</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of long-term debt	647,731	--
Principal payments on long-term debt	(3,259,969)	(2,076,717)
Restricted investment income	95	94
Payment of deferred financing costs	<u>(297,702)</u>	<u>--</u>
Net cash used in financing activities	<u>(2,909,845)</u>	<u>(2,076,623)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(252,455)	1,053,392
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,437,398</u>	<u>384,006</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 1,184,943</u>	<u>1,437,398</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:		
Cash paid during the year for interest	\$ 33,598	214,675
Equipment acquired under capital lease obligation	\$ --	763,364

See notes to financial statements

Providence Medical Center

Notes to Financial Statements December 31, 2015 and 2014

(1) Organization and Summary of Significant Accounting Policies

The following describes the organization and provides a summary of significant accounting policies of Providence Medical Center (Medical Center). These policies are in accordance with accounting principles generally accepted in the United States of America.

A. *Organization*

The Medical Center, located in Wayne, Nebraska, (a Nebraska corporation, not-for-profit) operates a 25-bed critical access hospital with related ancillary, home health and hospice services for residents of northeastern Nebraska.

The Budget Reconciliation Act of 1997 (Act) contained many provisions impacting Medicare reimbursement for the Medical Center. The Act established the Medicare Rural Hospital Flexibility Program to assist states and rural communities to improve access to essential healthcare services through critical access hospitals and rural health networks. During fiscal year 2000, the Medical Center's Board of Directors approved the Medical Center's plan to obtain Critical Access Hospital (CAH) designation. CAH's are acute care facilities that provide emergency, outpatient and short-term inpatient services. Medicare reimburses CAH's on a reasonable cost basis. The Medical Center's application to become certified as a CAH was approved by Nebraska Health and Human Services and the certification was effective May 1, 2001.

B. *Industry Environment*

The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursements for patient services, and Medicare and Medicaid fraud and abuse. Government activity has increased with respect to investigations and allegations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

Management believes that the Medical Center is in substantial compliance with applicable government laws and regulations as they apply to the areas of fraud and abuse. While no regulatory inquiries have been made, compliance with such laws and regulations are subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

As a result of recently enacted federal healthcare reform legislation, substantial changes are anticipated in the United States healthcare system. Such legislation includes numerous provisions affecting the delivery of healthcare services, the financing of healthcare costs, reimbursement of healthcare providers and the legal obligations of health insurers, providers and employers. Several provisions have been implemented while other provisions are slated to take effect at specified times over approximately the next decade.

C. *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Providence Medical Center

Notes to Financial Statements December 31, 2015 and 2014

D. Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less, excluding amounts whose use is limited by board designation or other arrangements.

E. Patient Accounts Receivable, Net

The Medical Center reports patient accounts receivable for services rendered at net realizable amounts from third-party payors, patients and others. Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the Medical Center analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Medical Center analyzes contractually due amounts and provides an allowance for doubtful accounts. For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Medical Center records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Payment for services is expected within thirty days of receipt of billing. Accounts considered past due are pursued in-house for approximately 120 days from the date of first billing and then are sent to a collection agency in accordance with the provisions of the collection policy. Any amounts deemed uncollectible are written off on a monthly basis. The Medical Center does not charge interest on outstanding balances owed.

The Medical Center also maintains a charity care policy as described in Note 1(L).

F. Inventories

Inventories are stated at the lower of cost (first-in, first-out method) or market.

G. Assets Limited as to Use

Assets limited as to use include the following:

Board Designated - Assets set aside by the Board of Directors for future capital improvements and future expansion over which the Board retains control and may, at its discretion, subsequently use for other purposes. These investments consist primarily of certificates of deposit, and debt and equity securities.

By Donor - These funds have been restricted by donors for specific capital improvements or operating expenses. These investments consist primarily of certificates of deposit and deposit accounts.

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheets. The Medical Center's securities have been classified as other-than-trading securities in the accompanying financial statements. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in excess of revenue over expenses unless the income or loss is restricted by donor or law. Changes in unrealized gains and losses on investments are excluded from excess

Providence Medical Center

Notes to Financial Statements December 31, 2015 and 2014

of revenue over expenses unless the investments are trading securities. Periodically, the Medical Center reviews its investments to determine whether any unrealized losses are other than temporary. During 2015 and 2014 there were no investment declines that were determined to be other than temporary.

H. Property and Equipment, Net

Property and equipment acquisitions are recorded at cost. All acquisitions of capital assets over \$5,000 are capitalized. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method based upon useful lives set forth using general guidelines from the American Hospital Association Guide for Estimated Useful Lives of Depreciable Hospital Assets. Equipment under capital lease obligations is amortized on the straight-line method over the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the financial statements.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support, and are excluded from the excess of revenue over 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 restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed into service.

I. Deferred Financing Costs, Net

Deferred financing costs are amortized over the term of the related indebtedness using the straight-line method. Amortization of the costs will begin once all proceeds have been drawn on the related debt.

J. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Medical Center has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Medical Center in perpetuity.

K. Net Patient Service Revenue

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

L. Charity Care

The Medical Center provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Medical Center does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue in the statements of operations. Management's disclosure of charity care costs is described in Note 3.

The Medical Center is dedicated to providing comprehensive healthcare services to all segments of society, including the aged and otherwise economically disadvantaged. In addition, the Medical Center provides a variety of community health services at or below cost.

Providence Medical Center

Notes to Financial Statements December 31, 2015 and 2014

M. Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Medical Center are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

N. Income Taxes

The Medical Center is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code. The Medical Center has received a determination letter that it is exempt from federal income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code. The Internal Revenue Service has established standards to be met to maintain tax exempt status. In general, such standards require the Medical Center to meet a community benefit standard and comply with various laws and regulations.

The Medical Center accounts for uncertainties in accounting for income tax assets and liabilities using guidance included in FASB ASC Topic 740, *Income Taxes*. The Medical Center recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. At December 31, 2015 and 2014, the Medical Center had no uncertain tax positions accrued.

O. Group Health Insurance

The Medical Center is partially self-insured under a multi-provider captive for its employee group health program, up to certain limits. The captive is made up of several healthcare facilities (subscribers) across the United States. Capital contributions are required on an annual basis to support adequate claims reserve levels. The Medical Center's investment in the captive is reported with other assets on the balance sheets.

Included in the accompanying statements of operations is a provision for premiums for excess coverage and payments for claims, including estimates of the ultimate costs for both reported claims and claims incurred but not yet reported at year end.

P. Endowments

Endowments consist of funds established to invest permanently restricted donations. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Medical Center has interpreted the Nebraska Uniform Prudent Management of Institutional Funds Act (NUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Medical Center classifies as permanently restricted net assets (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift

Providence Medical Center

Notes to Financial Statements December 31, 2015 and 2014

instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by NUPMIFA. In accordance with NUPMIFA, the Medical Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Q. *Excess of Revenue Over Expenses*

The statements of operations include excess of revenue over expenses as a performance indicator. Changes in unrestricted net assets that are excluded from excess of revenue over expenses, consistent with industry practice, include the net change in unrealized gains and losses on investments other than trading securities and contributions of long-lived assets (including assets acquired using contributions, which by donor restriction were to be used for the purpose of acquiring such assets).

R. *Fair Value of Financial Instruments*

The carrying amounts of all financial instruments approximate estimated fair value. Cash and cash equivalents, receivables and current liabilities are reasonable estimates of their fair values due to their short term nature. Assets limited as to use are stated at fair value as discussed in Note 4. The carrying value of long-term debt approximates fair value since the interest rates closely reflect current market rates.

S. *Reclassification*

Certain amounts in the 2014 financial statements have been reclassified to conform to the 2015 reporting format.

T. *Subsequent Events*

The Medical Center considered events occurring through May 23, 2016 for recognition or disclosure in the financial statements as subsequent events. That date is the date the financial statements were available to be issued.

(2) Net Patient Service Revenue

The Medical Center recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. See summary of payment arrangements below. For uninsured patients that do not qualify for charity care, the Medical Center recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a significant portion of the Medical Center's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Medical Center records a significant provision for bad debts related to uninsured patients in the period the services are provided. Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the year from these major payor sources, is as follows:

Providence Medical Center

Notes to Financial Statements December 31, 2015 and 2014

December 31, 2015					
	Medicare (including managed care)	Medicaid (including managed care)	Commercial	Self Pay	Total
Gross patient charges	\$ 10,815,754	1,017,402	7,790,186	691,420	20,314,762
Less: contractual allowances and discounts	<u>1,080,433</u>	<u>327,428</u>	<u>1,057,546</u>	<u>114,250</u>	<u>2,579,657</u>
Net patient service revenue	<u>\$ 9,735,321</u>	<u>689,974</u>	<u>6,732,640</u>	<u>577,170</u>	<u>17,735,105</u>

December 31, 2014					
	Medicare (including managed care)	Medicaid (including managed care)	Commercial	Self Pay	Total
Gross patient charges	\$ 11,753,210	1,048,193	8,169,849	1,066,307	22,037,559
Less: contractual allowances and discounts	<u>2,469,346</u>	<u>322,094</u>	<u>1,107,697</u>	<u>134,108</u>	<u>4,033,245</u>
Net patient service revenue	<u>\$ 9,283,864</u>	<u>726,099</u>	<u>7,062,152</u>	<u>932,199</u>	<u>18,004,314</u>

A summary of the payment arrangements with major third-party payors follows:

Medicare. Inpatient acute care services rendered to Medicare program beneficiaries in a Critical Access Hospital are paid based on Medicare defined costs of providing the services. Inpatient nonacute services and outpatient services related to Medicare beneficiaries are also paid based on a cost reimbursement methodology. The Medical Center is reimbursed based on a prospectively determined rate per episode for home care services rendered to Medicare beneficiaries. The Medical Center is reimbursed for cost reimbursable items at tentative rates with final settlement determined after submission of annual cost reports by the Medical Center and audit thereof by the Medicare Administrative Contractor. The Medical Center's Medicare cost reports have been audited by the Medicare Administrative Contractor through December 31, 2013.

The "Budget Control Act of 2011" requires, among other things, mandatory across-the-board reductions in Federal spending, also known as sequestration. As required by law, President Obama issued a sequestration order on March 1, 2013. In general, Medicare claims with dates of service or dates of discharge on or after April 1, 2013 incur a two percent reduction in Medicare payment.

Medicaid. Inpatient acute services and outpatient services rendered to Medicaid program beneficiaries in a Critical Access Hospital are paid based on Medicaid defined costs of providing the services. The Medical Center is reimbursed for cost reimbursable items at tentative rates with final settlement determined after submission of annual cost reports by the Medical Center.

Commercial Insurance. The Medical Center has also entered into payment agreements with certain commercial insurance carriers. The basis for payment to the Medical Center under these agreements includes discounts from established charges.

Providence Medical Center

Notes to Financial Statements December 31, 2015 and 2014

The following illustrates the Medical Center's service revenue at its established rates and revenue deductions by major third-party payors:

	<u>2015</u>	<u>2014</u>
Gross patient service revenue:		
Inpatient	\$ 4,219,143	5,498,545
Outpatient	15,513,576	15,984,435
Home health and hospice	<u>582,043</u>	<u>554,579</u>
Total gross patient service revenue	20,314,762	22,037,559
Less contractual adjustments and charity care	<u>2,579,657</u>	<u>4,033,245</u>
Net patient service revenue	<u>\$ 17,735,105</u>	<u>18,004,314</u>

Revenue from the Medicare and Medicaid programs accounted for approximately 55% and 4% respectively, of the Medical Center's net patient revenue for the years ended December 31, 2015 and approximately 52% and 4%, respectively, for the Medical Center's net patient revenue for the year ended December 31, 2014. Laws and regulations governing the Medicare and Medicaid 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. In 2015 and 2014, net patient service revenue increased approximately \$467,000 and \$11,000, 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 subject to audits, review and investigations.

(3) Charity Care

The Medical Center provides charity care to patients with limited to no ability to pay for the healthcare services they receive. Patients who qualify for charity care are given a discount from established charges through the completion of the application for financial assistance based on the most recent published poverty guidelines. The Medical Center determines the costs associated with providing charity care by aggregating the direct and indirect costs, including salaries, benefits, supplies, and other operating expenses, based on the overall cost-to-charge ratio. The costs of caring for charity care patients for the years ended December 31, 2015 and 2014 were approximately \$94,000 and \$104,000, respectively.

(4) Fair Value

Fair Value Hierarchy

The Medical Center applies FASB ASC 820 for fair value measurements of financial assets and financial liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. FASB ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted market 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 other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly through either corroboration or observable market data.

Providence Medical Center

Notes to Financial Statements December 31, 2015 and 2014

Level 3 inputs are unobservable for the asset or liability. Therefore, unobservable inputs shall reflect the entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk) developed based on the best information available in the circumstances.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following methods and assumptions were used to estimate the fair value for each class of financial instrument measured at fair value:

Cash and cash equivalents – The fair value of cash and cash equivalents, consisting primarily of deposit accounts, money market funds and accrued interest, is classified as Level 1 as these funds are valued using quoted market prices.

Fixed income securities – Investments in fixed income securities are comprised of government agency securities and corporate bonds and notes. Fixed income securities are classified as Level 2 based on multiple sources of information, which may include market data and/or quoted market prices from either markets that are not active or are for the same or similar assets in active markets.

Mutual funds – The fair value of mutual funds is classified as Level 1 as the market value is based on quoted market prices, when available, or market prices provided by recognized broker dealers.

For the fiscal years ended December 31, 2015 and 2014, the application of valuation techniques applied to similar assets and liabilities has been consistent.

The following table presents the financial instruments that are measured at fair value on a recurring basis (including items that are required to be measured at fair value) at December 31, 2015 and 2014:

Providence Medical Center

**Notes to Financial Statements
December 31, 2015 and 2014**

Fair Value Measurements at December 31, 2015				
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 122,192	--	--	122,192
Mutual funds -				
Domestic	425,642	--	--	425,642
Fixed income	361,959	--	--	361,959
International	175,425	--	--	175,425
Complimentary strategies	139,202	--	--	139,202
Real assets	172,787	--	--	172,787
	<u>\$ 1,397,207</u>	<u>--</u>	<u>--</u>	<u>1,397,207</u>
Investments not subject to fair value measurement:				
Certificates of deposit				20,000
Cash value life insurance				265,441
				<u>\$ 1,682,648</u>

Fair Value Measurements at December 31, 2014				
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 396,177	--	--	396,177
Fixed income securities -				
Government agency securities	--	2,656	--	2,656
Corporate bonds and notes	--	612,088	--	612,088
Mutual funds -				
Domestic	2,888,893	--	--	2,888,893
Fixed income	442,201	--	--	442,201
International	845,083	--	--	845,083
Complimentary strategies	162,118	--	--	162,118
Real assets	146,302	--	--	146,302
	<u>\$ 4,880,774</u>	<u>614,744</u>	<u>--</u>	<u>5,495,518</u>
Investments not subject to fair value measurement:				
Certificates of deposit				234,562
Cash value life insurance				260,816
				<u>\$ 5,990,896</u>

The Medical Center's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. There were no transfers into or out of Level 1 or Level 2 for the years ended December 31, 2015 and 2014.

Providence Medical Center

Notes to Financial Statements December 31, 2015 and 2014

(5) Assets Limited as to Use

Assets limited as to use are presented in the financial statements at fair value. The composition of assets limited as to use at December 31, 2015 and 2014, is as follows:

	<u>2015</u>	<u>2014</u>
Assets limited as to use:		
Board designated, for capital improvements and future expansion	\$ 1,652,703	5,877,718
Under loan agreements	--	83,328
Donor restricted	29,945	29,850
	<u>\$ 1,682,468</u>	<u>5,990,896</u>

Investment return (loss) for the years ended December 31, 2015 and 2014 is summarized as follows:

	<u>2015</u>	<u>2014</u>
Interest and dividends	\$ 63,682	253,230
Investment fees	(17,722)	(17,725)
Realized gains, net	772,220	--
Change in unrealized gains and losses	(835,607)	51,094
Total investment return (loss)	<u>\$ (17,427)</u>	<u>286,599</u>
Included in nonoperating gains	\$ 818,085	235,411
Reported separately as a change in unrestricted net assets	(835,607)	51,094
Reported separately as investment income in temporarily restricted net assets	95	94
Total investment return (loss)	<u>\$ (17,427)</u>	<u>286,599</u>

(6) Property and Equipment

Property and equipment as of December 31, 2015 and 2014 is summarized as follows:

	<u>2015</u>	<u>2014</u>
Land	\$ 42,600	42,600
Buildings and improvements	11,456,808	11,228,409
Equipment and furnishings	9,995,570	7,743,348
Construction work in process	1,786,328	552,452
	23,281,306	19,566,809
Less - accumulated depreciation	<u>11,290,208</u>	<u>9,973,981</u>
	<u>\$ 11,991,098</u>	<u>9,592,828</u>

Depreciation and amortization expense of \$1,380,834 and \$1,317,635 in 2015 and 2014, respectively, is included in the accompanying statements of operations.

Providence Medical Center

Notes to Financial Statements December 31, 2015 and 2014

The Medical Center is in the process of a building addition and remodel project (Project). The Project's cost is estimated at \$13,700,000 and is expected to be completed in June 2018. The Project is financed through two bonds (Note 7) with a maximum available draw of \$12,500,000 and the use of existing operating reserves. Only one bond had been drawn on at year end. Costs associated with the Project are included in construction work in process.

(7) Long-Term Debt

A summary of long-term debt and capital lease obligations at December 31, 2015 and 2014 follows:

	<u>2015</u>	<u>2014</u>
Bond payable (draws available up to \$8,400,000), Series 2015A, monthly interest only payments on outstanding balance through August 1, 2017, monthly principal and interest payments beginning on September 1, 2017 through July 30, 2022 at a fixed rate of 2.50% to be adjusted on July 31, 2022 to the five-year LIBOR swap rate plus 2.00%, level monthly payment amount calculated using a 20-year amortization, final balloon payment due on July 31, 2027, collateralized by a deed of trust and assignment of certain leases and rents.	\$ 647,731	--
Note payable, monthly payments of \$16,870 through March 2037, including interest, at a fixed rate of 3.75%, collateralized by a mortgage and security agreement with the USDA, paid in full in January 2015.	--	3,074,980
Capital lease obligation for medical equipment at a cost of \$763,364 and net book value of \$496,186, payable in monthly principal and interest payments of \$13,839 at 3.25%, through March 2019, collateralized by equipment.	511,540	658,384
Capital lease obligation for medical equipment at a cost of \$251,057 and net book value of \$55,790, payable in monthly principal and interest payments of \$3,678 at 4.44% through September 2018, collateralized by equipment.	<u>114,050</u>	<u>152,195</u>
	1,273,321	3,885,559
Less current portion	<u>191,562</u>	<u>273,643</u>
Long-term debt, net of current portion	<u>\$ 1,081,759</u>	<u>3,611,916</u>

On July 31, 2015, an \$8,400,000 Revenue Bond, Series 2015A and a \$4,100,000 Revenue Bond, Series 2015B (Series 2015A and 2015B Bonds) were issued by the County of Wayne, Nebraska (Issuer) pursuant to the Loan Agreement and Promissory Note between the Issuer, American National Bank (Lender), and the Medical Center (Borrower). The Lender shall advance proceeds of the Series 2015A and 2015B Bonds to pay project costs as described in Note 6 under a disbursement agreement with the Medical Center. Interest only payments are due monthly on the outstanding principal amount of the bond advances for the first two years from the closing date. On the second anniversary of the closing date, all advanced amounts will be amortized in equal monthly installments of principal and interest over a 20-year period. A final balloon payment representing the unpaid principal balance and all accrued and unpaid interest thereon will be due on July 31, 2027. No draws have been made on the Series 2015B Bond as of December 31, 2015.

Providence Medical Center

Notes to Financial Statements December 31, 2015 and 2014

The Loan Agreement for the Series 2015A Bond requires the Medical Center to comply with certain restrictive covenants including minimum insurance coverage, maintaining a long-term debt service coverage ratio of at least 1.25, liquidity and leverage covenants, and restrictions on incurrence of additional debt.

In 2015, the Medical Center was unable to satisfy one of the financial performance measures required by the Loan Agreement. The Medical Center obtained a waiver from the bond trustee that prevented an event of default as defined in the loan agreement. The waived event of default is on a one-time basis only and the Medical Center intends to implement corrective actions to be compliant with all covenants going forward.

Maturities of long-term debt are as follows:

<u>Years Ending December 31:</u>	<u>Long-Term Debt</u>	<u>Capital Lease Obligations</u>
2016	\$ --	210,201
2017	8,358	210,201
2018	25,495	199,168
2019	26,139	41,517
2020	26,800	--
Thereafter	560,939	--
	<u>\$ 647,731</u>	<u>661,087</u>
Less amount representing interest		<u>35,497</u>
		<u>\$ 625,590</u>

A summary of interest expense on borrowed funds during the years ended December 31, 2015 and 2014 is as follows:

	<u>2015</u>	<u>2014</u>
Interest cost:		
Capitalized	\$ 2,347	--
Expensed	<u>33,598</u>	<u>214,675</u>
	<u>\$ 35,945</u>	<u>214,675</u>

Subsequent to year end, approximately \$2,500,000 was drawn on the bond payable by the Medical Center to fund construction costs associated with the Project that is to be completed in 2018.

(8) Pension Plan

Effective January 1, 1988 and restated January 1, 2010, the Medical Center established the Providence Medical Center Tax Deferred Annuity Plan (Annuity Plan). The Annuity Plan is available to all employees, who may elect to defer a portion of compensation in accordance with Internal Revenue Code Section 402(g) and Section 415 limitations. All elective deferrals made under the Annuity Plan are fully vested.

Effective January 1, 1988 and restated January 1, 2014, the Medical Center established the Providence Medical Center Employees' Pension Plan (Pension Plan). The pension plan is available to all employees at least 21 years of age who have completed two years of service and work 1,000 hours or more in twelve-consecutive month periods and permits the Medical Center to contribute dollars on behalf of the employee for withdrawal in future years. The participants are fully vested upon participation of the plan. For participating employees who elect a deferral equal to 3% of their compensation to the Annuity Plan, the Medical Center will make a matching contribution equal to 3% of electing employees' compensation to the Pension Plan. Pension contribution expense of \$188,349 and \$203,987 for the years ended December 31, 2015 and 2014, respectively is included in employee benefits on the accompanying statements of operations.

Providence Medical Center

Notes to Financial Statements December 31, 2015 and 2014

On December 31, 2015 the Medical Center froze the Pension Plan with no further employees eligible to become participants and no further employer contributions to be made. Upon termination, employees become 100% vested in plan assets. Effective January 1, 2016, the Annuity Plan was restated in its entirety allowing for participating employees who have met the age of 21 and the service requirement of completing six months of service, eligible to participate in employer contributions. The Medical Center may contribute matching contributions equal to a uniform percentage or dollar amount of employee elective deferrals. Employees are fully vested in certain employer contributions after three years of service. A year of service is considered 1,000 hours of service during a plan year.

(9) Professional Liability Insurance

The Medical Center carries a professional liability policy (including malpractice) which provides \$1,000,000 of coverage for injuries per occurrence and \$3,000,000 aggregate coverage. The Medical Center qualifies under the Nebraska Hospital Medical Liability Act (the Liability Act). The Excess Liability Fund under the Liability Act, on a claims-made basis, pays claims in excess of \$500,000 for losses up to \$2,250,000 per occurrence. The statutes limit covered claims above \$2,250,000 and, in connection therewith, the Medical Center carries an excess liability policy which also provides an additional \$3,000,000 of professional liability coverage per occurrence and aggregate coverage. These policies provide coverage on a claims-made basis covering only the claims which have occurred and are reported to the insurance company while the coverage is in force.

The Medical Center could have exposure on possible incidents that have occurred for which claims will be made in the future, should professional liability insurance not be obtained, should coverage be limited and/or not available, or should the Act change.

Accounting principles generally accepted in the United States of America require a healthcare provider to recognize the ultimate costs of malpractice claims or similar contingent liabilities, which include costs associated with litigating or settling claims, when the incidents that give rise to the claims occur. The Medical Center does evaluate all incidents and claims along with prior claim experience to determine if a liability is to be recognized. For the years ending December 31, 2015 and 2014, management determined no liability should be recognized for asserted or unasserted claims. Management is not aware of any such claim that would have a material adverse impact on the accompanying financial statements.

(10) Related Organizations

Providence Medical Center Foundation (Foundation) was established exclusively for the purpose of promoting and supporting programs and services of the Medical Center. Because the Medical Center does not have the authority to appoint a majority of the governing board of the Foundation, the Medical Center financial statements do not include the accounts of this organization. All funds raised, except funds required for the operations of the Foundation, are to be distributed, or held for the purpose of supporting the programs and services of the Medical Center, or as required to comply with the purposes specified by donors. Total unaudited net assets of the Foundation as of December 31, 2015 and 2014 were approximately \$747,000 and \$877,000, respectively.

In 2015 and 2014, the Foundation contributed \$89,908 and \$65,494, respectively, to the Medical Center for various operating purposes.

Providence Medical Center

Notes to Financial Statements December 31, 2015 and 2014

(11) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	<u>2015</u>	<u>2014</u>
Health care facility improvements	\$ <u>9,945</u>	<u>9,850</u>

Permanently restricted net assets are restricted to:

	<u>2015</u>	<u>2014</u>
Investments to be held in perpetuity, the income from which is temporarily restricted to support healthcare facility improvements	\$ <u>20,000</u>	<u>20,000</u>

(12) Other Revenue

Other revenue for the years ended December 31, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
Electronic health record incentive payment	\$ 537,872	181,482
Fitness center	146,449	133,478
Medical clinic rental	132,152	125,883
Outside services – occupational therapy	60,874	43,929
Employee cafeteria	46,053	53,139
Lifeline	37,250	42,530
Outside services – physical therapy	37,168	26,747
Gain on disposal of property and equipment	23,778	65,250
Outside services – home health	16,427	9,649
Massage therapy	7,750	9,395
Outside services – speech therapy	6,077	1,156
Other	<u>71,720</u>	<u>49,611</u>
	\$ <u>1,123,570</u>	<u>742,249</u>

The Electronic Health Records Incentive Program, enacted as part of the *American Recovery and Reinvestment Act of 2009*, provides for one-time incentive payments under both the Medicare and Medicaid programs to eligible hospitals that demonstrate meaningful use of certified electronic health records technology (EHR). Critical Access Hospitals (CAHs) are eligible to receive incentive payments in the cost reporting period beginning in the federal fiscal year in which meaningful use criteria have been met. The Medicare incentive payment is for qualifying costs of the purchase of certified EHR technology multiplied by the hospital's Medicare share fraction, which includes a 20% incentive. A portion of this payment is an acceleration of amounts that would have been received in future periods based on reimbursable costs incurred including depreciation. If meaningful use criteria are not met in future periods, the Medical Center is subject to penalties that would reduce future payments for services. Payments under the Medicaid program, if eligible, are generally made for up to three years based upon a statutory formula, as determined by the state, which is approved by the Centers for Medicare and Medicaid Services (CMS). The final amount for any payment year under both programs is determined based upon an audit by the Medicare Administrative Contractor. Events could occur that would cause the final amounts to differ materially from the initial payments under the program.

Providence Medical Center

Notes to Financial Statements December 31, 2015 and 2014

During 2015 and 2014 the Medical Center qualified for Medicare incentive payments by attesting it met specific criteria set by CMS. An incentive receivable of \$160,295 and \$390,808 has been recognized in the balance sheets as of December 31, 2015 and 2014, respectively, and is included in other receivables. The Medical Center elected to record \$75,448 and \$174,462 of the incentive payment as other operating revenue in the period earned, and defer the remaining amount of the payment related to future Medicare reimbursement. In addition, EHR incentive proceeds of \$462,424 and \$7,020 were reported in 2015 and 2014, respectively, related to contractor adjustments associated with previously submitted EHR assets, net of deferral changes related to future Medicare reimbursement. The amounts recognized are based on management's best estimates and are subject to change, which would be recognized in the period in which the change occurs.

(13) Concentrations of Credit Risk

The Medical Center is located in Wayne, Nebraska. The Medical Center grants credits without collateral to its patients, most of who are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at December 31, 2015 and 2014 was as follows:

	<u>2015</u>	<u>2014</u>
Medicare	39%	32%
Medicaid	4	6
Blue Cross	18	17
Other third-party payors	15	14
Private pay	24	31
	<u>100%</u>	<u>100%</u>

The Medical Center has invested in mutual funds. The value of these investments is determined based on market and economic conditions that can and will fluctuate from time to time.

The Medical Center maintains deposits in excess of Federal Deposit Insurance Corporation Insurance limits. Management believes the risk relating to these deposits is minimal.

(14) Contingencies

Litigation

The Medical Center is involved in litigation and regulatory investigations arising in the course of business. After consultation with legal counsel, management estimates these matters will be resolved without material adverse effect on the Medical Center's future financial position or results from operations.

(15) Functional Expenses

The Medical Center provides general healthcare services to residents within its geographic location. Expenses included in the statements of operations relate to the provision of these services.