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Form 990

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 07-01-2011 and ending 06-30-2012

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization

Christian Unity Hospital Corporation

Doing Business As

Unity Medical Center

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

164 West 13th Street

Room/suite

City or town, state or country, and ZIP + 4

Grafton, ND 58257

F Name and address of principal officer

Everett Butler

164 West 13th Street

Grafton, ND 58257

H(a) Is this a group return for affiliates?

☐ Yes ☒ No

H(b) Are all affiliates included?

☐ Yes ☐ No

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

H(c) Group exemption number

I Tax-exempt status

☒ 501(c)(3) ☐ 501(c) () ☐ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website:

www.unitymedcenter.com

K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation 1970

M State of legal domicile ND

Part I

Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities Unity Medical Center provides access to quality health care for the region		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	10
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	9
Revenue	5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	110
	6	Total number of volunteers (estimate if necessary)	6	37
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
	b	Net unrelated business taxable income from Form 990-T, line 34	7b	0
	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	484,561	615,085
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	7,715,484	7,957,504
Expenses	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	63	924
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	8,312	9,080
	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	8,208,420	8,582,593
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	0	0
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	4,535,264	4,641,052
	b	Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0	0	0
Net Assets or Fund Balances	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	0	0
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	3,858,777	3,868,209
	19	Revenue less expenses Subtract line 18 from line 12	8,394,041	8,509,261
			-185,621	73,332
			Beginning of Current Year	End of Year
	20	Total assets (Part X, line 16)	5,218,680	5,369,460
	21	Total liabilities (Part X, line 26)	3,210,387	3,287,835
	22	Net assets or fund balances Subtract line 21 from line 20	2,008,293	2,081,625

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

Everett Butler CEO

2013-05-09

Date

Paid Preparer's Use Only

Preparer's signature

LISA CHAFFEE CPA

Date

2013-05-09

Check if self-employed

☐

Preparer's taxpayer identification number (see instructions)

P00193453

Firm's name (or yours if self-employed), address, and ZIP + 4

EIDE BAILLY LLP
4310 17TH AVE S PO BOX 2545
FARGO, ND 581082545

EIN

45-0250958

Phone no

(701) 239-8500

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2011)

Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

1

Briefly describe the organization’s mission

Unity Medical Center provides access to quality health care for the region

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

☐ Yes ☒ No

If “Yes,” describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

☐ Yes ☒ No

If “Yes,” describe these changes on Schedule O

4

Describe the organization’s program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code) (Expenses \$ 7,451,458 including grants of \$) (Revenue \$ 7,957,504)

Unity Medical Center is a 14 bed healthcare facility, which provides emergency care, acute care services, outpatient services and clinical medical services to the residents of Grafton, North Dakota and surrounding communities The facility provides outreach services such as physical therapy, respiratory therapy, and flu vaccination clinics to other employers in the area as well For the fiscal year ended June 30, 2012 the medical center provided as part of its mission 739 acute days, 967 swing bed days, and 12,220 clinic visits For fiscal year 2012, the amount of charity care based on the amount of charges foregone, based on established rates, was \$63,092 Total direct and indirect costs related to the charges foregone were \$50,000 at June 30, 2012, based on an average ratio of cost to gross charges

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 \$ 7,451,458

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)? If "Yes," complete Schedule A 	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		No
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? If "Yes," complete Schedule C, Part II		No
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? If "Yes," complete Schedule C, Part III		No
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? If "Yes," complete Schedule D, Part I 		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 		No
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? If "Yes," complete Schedule D, Part VI. 	Yes	
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? If "Yes," complete Schedule D, Part VII. 		No
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? If "Yes," complete Schedule D, Part VIII. 		No
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? If "Yes," complete Schedule D, Part IX. 		No
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. 		No
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)? If "Yes," complete Schedule D, Part X. 	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional 	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?		No
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? If "Yes," complete Schedule F, Part I		No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, Part II and IV		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Part III and IV		No
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? If "Yes," complete Schedule G, Part I		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		No
20a	Did the organization operate one or more hospitals? If "Yes," complete Schedule H 	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements 	Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
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 questions 24b–24d and complete Schedule K. If "No," go to line 25</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
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>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
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 owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a	Yes	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance			
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>			
		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	14
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a	110
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?	4a	No
b	If "Yes," enter the name of the foreign country  See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . .	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . .	7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state.	13a	
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
c	Enter the aggregate amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O . . .	14b	

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.
Check if Schedule O contains a response to any question 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		
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?		No
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?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Did the organization have members or stockholders?	Yes	
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?	Yes	
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	Yes	
8b	Each committee with authority to act on behalf of the governing body?	Yes	
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		No

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?		No
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?	Yes	
11b	Describe in Schedule O the process, if any, used by the organization to review the Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	Yes	
12b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	Yes	
13	Did the organization have a written whistleblower policy?		No
14	Did the organization have a written document retention and destruction policy?	Yes	
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	Yes	
15b	Other officers or key employees of the organization	Yes	
	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?		No
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
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
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. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization. Rachel Ray CFO 164 West 13th Street Grafton, ND 58237 (701) 352-9365

Part VII

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

Check if Schedule O contains a response to any question 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, and **current** key employees 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, or 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 organizations compensated any current or former officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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) Keith Zikmund President	1 00	X		X				0	0	0
(2) Jo Petersen Vice President	1 00	X		X				0	0	0
(3) JoAnn Lizakowski Secretary/Treasurer	1 00	X		X				0	0	0
(4) Dale Martinson Board Member	1 00	X						0	0	0
(5) Susan Geiger Board Member	1 00	X						0	0	0
(6) Vicki Ham Board Member	1 00	X						0	0	0
(7) Pastor Chris Gaule Board Member	1 00	X						0	0	0
(8) Mark Presteng Board Member	1 00	X						0	0	0
(9) Roger Gorder Board Member	1 00	X						0	0	0
(10) Dr Linda Fillipi Physician/Medical Staff President	41 00	X						176,785	0	6,402
(11) Father Timothy Schroeder Board Member (July-Sept)	1 00	X						0	0	0
(12) Keith Bjorneby Board Member (July-Sept)	1 00	X						0	0	0
(13) Everett Butler CEO	40 00			X				140,942	0	6,402
(14) Rachel Ray CFO	40 00			X				58,002	0	5,821
(15) Dr Abdul Hafeez Physician	40 00					X		231,932	0	16,600
(16) Dr Joshua Omotunde MD	40 00					X		256,591	0	16,819
(17) Dr Anthony Kotnik MD	40 00					X		170,932	0	16,690

Part VII

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: 5

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.

Form **990** (2011)

Part VIII

Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d	109,007				
	e	Government grants (contributions)	1e	223,997				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	282,081				
	g	Noncash contributions included in lines 1a-1f \$ _____						
	h	Total. Add lines 1a-1f		615,085				
Program Service Revenue			Business Code					
	2a	Net Patient Serv Rev	621300	7,865,329	7,865,329			
	b	Misc income	900099	92,175	92,175			
	c							
	d							
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f			7,957,504			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		924			924	
	4	Income from investment of tax-exempt bond proceeds . .						
	5	Royalties						
	6a	(i) Real		(ii) Personal				
		9,080						
		b		Less rental expenses	0			
		c		Rental income or (loss)	9,080			
	d	Net rental income or (loss)		9,080			9,080	
	7a	(i) Securities		(ii) Other				
		b		Less cost or other basis and sales expenses				
		c		Gain or (loss)				
	d	Net gain or (loss)						
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18		a				
		b		Less direct expenses	b			
		c		Net income or (loss) from fundraising events . .				
	9a	Gross income from gaming activities See Part IV, line 19		a				
		b		Less direct expenses	b			
		c		Net income or (loss) from gaming activities . .				
	10a	Gross sales of inventory, less returns and allowances		a				
		b		Less cost of goods sold	b			
		c		Net income or (loss) from sales of inventory . .				
Miscellaneous Revenue		Business Code						
11a								
b								
c								
d	All other revenue							
e	Total. Add lines 11a-11d							
12	Total revenue. See Instructions			8,582,593	7,957,504	0	10,004	

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) but are not required to complete columns (B), (C), and (D)

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21				
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	383,831	173,683	210,148	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	3,508,944	3,035,354	473,590	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9	Other employee benefits	482,377	398,661	83,716	
10	Payroll taxes	265,900	219,258	46,642	
11	Fees for services (non-employees)				
a	Management				
b	Legal	1,800		1,800	
c	Accounting	34,085		34,085	
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees				
g	Other	748,754	709,914	38,840	
12	Advertising and promotion	32,237		32,237	
13	Office expenses	416,995	352,533	64,462	
14	Information technology	35,361		35,361	
15	Royalties				
16	Occupancy	159,911	159,755	156	
17	Travel	35,951	33,853	2,098	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	988		988	
20	Interest	130,097	130,097		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	486,614	486,614		
23	Insurance	76,274	76,274		
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	Medical Supplies	978,872	978,872		
b	Provision for Bad Debts	647,925	647,925		
c	Communications	41,204	41,204		
d	Dues and Subscriptions	23,797	6,342	17,455	
e					
f	All other expenses	17,344	1,119	16,225	
25	Total functional expenses. Add lines 1 through 24f	8,509,261	7,451,458	1,057,803	0
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing				1	
	2	Savings and temporary cash investments			62,020	2	382,335
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			1,433,146	4	1,396,953
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L				6	
	7	Notes and loans receivable, net				7	
	8	Inventories for sale or use			105,952	8	126,092
	9	Prepaid expenses and deferred charges			53,256	9	51,447
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	9,882,149	3,317,685	10c	3,160,446
	b	Less accumulated depreciation	10b	6,721,703			
	11	Investments—publicly traded securities			55,259	11	
	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			191,362	15	252,187
16	Total assets. Add lines 1 through 15 (must equal line 34)			5,218,680	16	5,369,460	
Liabilities	17	Accounts payable and accrued expenses			766,330	17	923,013
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities			2,225,000	20	2,180,000
	21	Escrow or custodial account liability Complete Part IV of Schedule D				21	
	22	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			219,057	23	184,822
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D				25	
	26	Total liabilities. Add lines 17 through 25			3,210,387	26	3,287,835
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			1,949,002	27	1,968,953
	28	Temporarily restricted net assets			59,291	28	112,672
	29	Permanently restricted net assets				29	
	Organizations that do not follow SFAS 117, 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			2,008,293	33	2,081,625
	34	Total liabilities and net assets/fund balances			5,218,680	34	5,369,460

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	8,582,593
2	Total expenses (must equal Part IX, column (A), line 25)	2	8,509,261
3	Revenue less expenses Subtract line 2 from line 1	3	73,332
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	2,008,293
5	Other changes in net assets or fund balances (explain in Schedule O)	5	0
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	2,081,625

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question 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?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 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		No
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
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?		No
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 990EZ)

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. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization Chnstian Unity Hospital Corporation	Employer identification number 45-0310159
-----------------------------------------------------------------	--------------------------------------------------

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 **section 170(b)(1)(A)(i).**

2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

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 Se**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 that describes the type of supporting organization and complete lines 11e through 11h

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box

g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
Total									

Part II

Support Schedule for Organizations Described in IRC 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	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
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 501(c)(3) organization, check this box and stop here

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))14

15 Public Support Percentage for 2010 Schedule A, Part II, line 1415

16a 33 1/3% support test—2011. 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

b 33 1/3% support test—2010. If the organization did not check the 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

17a 10%-facts-and-circumstances test—2011. 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 IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

b 10%-facts-and-circumstances test—2010. 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 IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

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

Part IIIPart III

Support Schedule for Organizations Described in IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 IV.)						
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 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage			
15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15		
16 Public support percentage from 2010 Schedule A, Part III, line 15	16		

Section D. Computation of Investment Income Percentage			
17 Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))	17		
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18		
19a 33 1/3% support tests—2011. 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—2010. 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 **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Chstnian Unity Hospital Corporation

Employer identification number
45-0310159

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate 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?	
	<div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may 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	
	<div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

Part II Conservation Easements. Complete if the organization answered "Yes" to 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 pleasure) ☐ Preservation of an historically importantly land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

2

Complete lines 2a–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 Year
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ► _____

4

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

5

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

☐ Yes ☐ No

6

Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ► _____

7

Amount of expenses incurred in monitoring, inspecting, 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 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

In Part XIV, 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" to Form 990, Part IV, line 8.

1a

If the organization elected, as permitted under SFAS 116, 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 XIV, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116, 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)

Revenues included in 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 relating to these items

a

Revenues included in 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 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

d

☐ Loan or exchange programs

b

☐ Scholarly research

e

☐ Other

c

☐ Preservation for future generations
- 4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV
- 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" to 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 XIV and complete the following table
- | | |
|----|--------|
| | Amount |
| 1c | |
| 1d | |
| 1e | |
| 1f | |
- 2a

Did the organization include an amount on Form 990, Part X, line 21?
- ☐ Yes

☐ No
- b

If "Yes," explain the arrangement in Part XIV

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2

Provide the estimated percentage of the year end balance held as
- a

Board designated or quasi-endowment ▶
- b

Permanent endowment ▶
- c

Term endowment ▶
- 3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- (i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

b

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

3b
- 4 Describe in Part XIV the intended uses of the organization's endowment funds
- Part VI Land, Buildings, and Equipment.** 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 | | 43,017 | | 43,017 |
| b Buildings | | 7,146,683 | 4,519,623 | 2,627,060 |
| c Leasehold improvements | | | | |
| d Equipment | | 2,388,735 | 2,045,136 | 343,599 |
| e Other | | 303,714 | 156,944 | 146,770 |
| Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶ | | | | 3,160,446 |
- Schedule D (Form 990) 2011

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1
2	Total expenses (Form 990, Part IX, column (A), line 25)	2
3	Excess or (deficit) for the year Subtract line 2 from line 1	3
4	Net unrealized gains (losses) on investments	4
5	Donated services and use of facilities	5
6	Investment expenses	6
7	Prior period adjustments	7
8	Other (Describe in Part XIV)	8
9	Total adjustments (net) Add lines 4 - 8	9
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	1
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments	2a
b	Donated services and use of facilities	2b
c	Recoveries of prior year grants	2c
d	Other (Describe in Part XIV)	2d
e	Add lines 2a through 2d	2e
3	Subtract line 2e from line 1	3
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1	
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a
b	Other (Describe in Part XIV)	4b
c	Add lines 4a and 4b	4c
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements	1
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 XIV)	2d
e	Add lines 2a through 2d	2e
3	Subtract line 2e from line 1	3
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:	
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a
b	Other (Describe in Part XIV)	4b
c	Add lines 4a and 4b	4c
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5

Part XIV Supplemental Information

Complete this part to 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, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Identifier	Return Reference	Explanation
Description of Uncertain Tax Positions Under FIN 48	Part X	The Medical Center is organized as a North Dakota nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Medical Center is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Medical Center is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purpose. The Medical Center has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS. The Medical Center believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Medical Center would recognize future accrued interest and penalties related to unrecognized tax liabilities in income tax expense if such interest and penalties are incurred.

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, question 20.**
▶ **Attach to Form 990. ▶ See separate instructions.**

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Christian Unity Hospital Corporation

Employer identification number
45-0310159

Part I

Charity Care and Certain Other Community Benefits at Cost

		Yes	No	
1a	Did the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals <div><input checked="" type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Generally tailored to individual hospitals</div> <div><input type="checkbox"/> Applied uniformly to most hospitals</div>			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year a Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care <div><input checked="" type="checkbox"/> 100%<input type="checkbox"/> 150%<input type="checkbox"/> 200%<input type="checkbox"/> Other _____%</div> b Did the organization use FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care <div><input checked="" type="checkbox"/> 200%<input type="checkbox"/> 250%<input type="checkbox"/> 300%<input type="checkbox"/> 350%<input type="checkbox"/> 400%<input type="checkbox"/> Other _____%</div> c If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care	3a	Yes	
4	Did the organization's policy provide free or discounted care to the "medically indigent"?	4		No
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	Yes	
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?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7

Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(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
a Charity care at cost (from Worksheet 1)			50,000		50,000	0 640 %
b Medicaid (from Worksheet 3, column a)			436,719	424,181	12,538	0 160 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs			486,719	424,181	62,538	0 800 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			2,768		2,768	0 040 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			1,850,588	1,374,434	476,154	6 060 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			2,847		2,847	0 040 %
j Total Other Benefits			1,856,203	1,374,434	481,769	6 140 %
k Total. Add lines 7d and 7j			2,342,922	1,798,615	544,307	6 940 %

Part IICommunity Building Activities

Complete this table if the organization conducted any community building activities.

	(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
1Physical improvements and housing						
2Economic development						
3Community support						
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy						
8Workforce development						
9Other						
10Total						

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1		No
2Enter the amount of the organization's bad debt expense	2	647,925	
3Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	64,145	
4Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.			

Section B. Medicare

5Enter total revenue received from Medicare (including DSH and IME)	5	2,802,503	
6Enter Medicare allowable costs of care relating to payments on line 5	6	2,774,755	
7Subtract line 6 from line 5. This is the surplus or (shortfall)	7	27,748	
8Describe 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

9aDid the organization have a written debt collection policy during the tax year?	9a	Yes	
9bIf "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI.	9b		No

Part IVManagement Companies and Joint Ventures (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 %
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Section A. Hospital Facilities

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

Name and address

Schedule H (Form 990) 2011

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Christian Unity Hospital Corporation

Name of Hospital Facility:

Line Number of Hospital Facility (from Schedule H, Part V, Section A):1

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input 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 type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input 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 Part VI)	1	No
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care 100 000000000000% If "No," explain in Part VI the criteria the hospital facility used	9	Yes

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>200 000000000000%</u> If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input type="checkbox"/> Uninsured discount f <input type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input checked="" type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

14	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 actions the hospital facility may take upon non-payment?	14	Yes	
15	Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP a <input type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> Other similar actions (describe in Part VI)			
16	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged a <input type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other similar actions (describe in Part VI)	16		No
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)			

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

		Yes	No
18	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires 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? If "No," indicate why	Yes	
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 Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

Individuals Eligible for Financial Assistance

19	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 checked="" type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b	<input type="checkbox"/> The hospital facility used the average of it's 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 Part VI)			
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI	20		No
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21	Yes	

Part V

Facility Information (continued)

Section C. Other 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 facilities did the organization operate during the tax year? 1

Name and address		Type of Facility (Describe)
1	Grafton Family Clinic 155 West 14th Street Grafton, ND 58257	Rural Health Clinic
2		
3		
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6l, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health needs assessments 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

Identifier	ReturnReference	Explanation
		Part I, Line 3c The organization does follow the Federal Poverty Guidelines (FPG) when determining discounted care, but they have set up three different ranges within the Guidelines A patient will pay 30%, 60% or 80% of their bill depending upon where their income falls The patient is responsible for 30% of their bill if their income is 100% to 132% of the FPG The patient is responsible for 60% of their bill if their income falls between 133% to 166% of the FPG The patient is responsible for 80% of their bill if their income falls between 167% and 200% of the FPG If the individual falls below the minimum criteria, that person is eligible for 100% charity care allowance, or free care

Identifier	ReturnReference	Explanation
	Part I, Line 6b	The community benefit report is available upon request

Identifier	ReturnReference	Explanation
		Part I, Line 7 The organization used the following to determine the costs for Part I, Line 7 Row a An average ratio of cost to gross charges which addresses all patient segmentsRow b & g Determined from the Medicare Cost reportRow e & i Actual costs were used

Identifier	ReturnReference	Explanation
		Part I, Line 7g The amount of costs attributable to a rural health clinic is \$1,817,339

Identifier	ReturnReference	Explanation
		Part I, L7 Col(f) The amount of bad debt expense removed from the denominator is \$647,925

Identifier	ReturnReference	Explanation
		Part III, Line 4 Financial Statement Bad Debt Expense Footnote The carrying amount of patient receivables is reduced by a valuation allowance that reflects management's estimate of amounts that will not be collected from patients and third-party payors Management reviews patient receivables by payor class and applies percentages to determine estimated amounts that will not be collected from third parties under contractual agreements and amounts that will not be collected from patients due to bad debts Management considers historical write off and recovery information in determining the estimated bad debt provision 9.9% of the individuals in Walsh County, North Dakota (in which the Hospital is located) fall below the federal poverty levels according to Census.gov Therefore, the organization estimates that 9.9% of the bad debt expense at cost is attributable to patients eligible under the organization's charity care policy Care is given to individuals regardless of their ability to pay and so therefore this is a community benefit Discounts and payments are taken into account when determining bad debt expense Payments on a previously written off account are recorded as a recovery of bad debt expense and they reduce bad debt expense

Identifier	ReturnReference	Explanation
		Part III, Line 8 Medicare allowable costs of care are based on the Medicare cost report The Medicare cost report is completed based on the rules and regulations set forth by Centers for Medicare and Medicaid Services

Identifier	ReturnReference	Explanation
		Part III, Line 9b In practice, if a patient is determined to qualify for financial assistance all collection efforts are stopped and/or reversed

Identifier	ReturnReference	Explanation
Christian Unity Hospital Corporation		Part V, Section B, Line 13g Patients who do not pay after 90 days meet with the Patient Account Representative and go over their available options including financial assistance The organizations posts the EMTALA law in their emergency room The organization is also weighing their options of how to make their financial assistance policy more widely available to the public including the possibility of posting the policy on their website

Identifier	ReturnReference	Explanation
Christian Unity Hospital Corporation		Part V, Section B, Line 21 All individuals eligible under the hospital financial assistance policy are provided a discount for emergency and other medically necessary care FAP-eligible patients without insurance may be charged gross charges on elective procedures

Identifier	ReturnReference	Explanation
		Part VI, Line 2 Toward the end of our fiscal year, we began preparing for a community health needs assessment We had last completed an assessment in late 2008 to determine the focus of our new construction/remodeling project We plan to finalize our community health needs assessment early in 2013 and our board of directors will adopt an implementation strategy as a result of the findings at that time We have community members from different backgrounds/occupations that serve on our Board of Directors They are open to listening to other community members regarding health care needs These are brought to the Board and considered at that time UMC also brings in specialty doctors to our rural health clinic to enhance the services that are already offered We offer services such as oncology, psychiatry, etc

Identifier	ReturnReference	Explanation
		Part VI, Line 3 A sign near the entrance to the emergency room indicates we "provide medical care for those who cannot afford to pay " Another posting states that "the facility is legally obligated to serve the community " For those patients who do not pay on their balances, we contact them by phone They visit with our Patient Account Representative The Representative discusses payment arrangements, eligibility for certain programs, such as Medicaid, and then charity care, if necessary If we cannot get those patients to come in and talk, we try to make arrangements over the phone and through the mail, if necessary

Identifier	ReturnReference	Explanation
		Part VI, Line 4 Grafton is a rural community of approximately 4,284 residents located in Walsh County, North Dakota The median household income for Walsh County is \$44,139 for 2006-2010 per the US Census Data 9 9% of individuals in the Walsh County fall below the poverty level Unity Medical Center serves the population of Grafton and several surrounding smaller communities The area is also served by a hospital in Park River and a hospital in Grand Forks Approximately 7% of the hospital's business in FY 2012 was to private pay individuals Approximately 7 3% of our business was to Medicaid recipients We also have a Migrant Health office in the community to serve migrant workers

Identifier	ReturnReference	Explanation
		Part VI, Line 5 The Unity Medical Center (UMC) governing body is comprised of persons who reside in our primary service area The board members are neither contractors, or family members of the organization Medical staff privileges are extended to those qualified physicians in our community who have applied for and been granted medical privileges, per our credentialing process Surplus funds, when available, are used to purchase equipment or make purchases to improve the building structure for the purpose of improving patient care Unity Medical Center Foundation also assists the hospital with capital purchases UMC offers 24 hour access to emergency room care, which is available to all individuals, regardless of their ability to pay for the care UMC offers acute care, swing bed care, general surgery, as well as many outpatient services UMC does participate in education of healthcare professionals We take approximately 2-3 medical students per year and several Physical Therapy students throughout the year from the University of North Dakota We do training for students from technical schools, as well, as requested UMC is the only hospital and clinic in the community, therefore, we are a viable part of this community UMC offers programs such as diabetes screenings, flu vaccination clinics, free blood pressure checks, KIDS UMC (education for young children), etc UMC also has a representative on the Mayor's Committee of Wellness for the community UMC brings in specialty doctors to our clinic in order to offer more necessary services to our patient population, i.e oncology, psychiatry, etc We offer volunteer opportunities for high school students and adults We have twenty members of our UMC Auxiliary Services that volunteer here every week for the benefit of the facility

Identifier	ReturnReference	Explanation
		Part VI, Line 6 N/A

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2011

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization Christian Unity Hospital Corporation	Employer identification number 45-0310159
------------------------------------------------------------------	----------------------------------------------

Part I

Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
<input type="checkbox"/> First-class or charter travel		
<input type="checkbox"/> Travel for companions		
<input type="checkbox"/> Tax idemnification and gross-up payments		
<input type="checkbox"/> Discretionary spending account		
<input type="checkbox"/> Housing allowance or residence for personal use		
<input type="checkbox"/> Payments for business use of personal residence		
<input type="checkbox"/> Health or social club dues or initiation fees		
<input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)		
1b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all 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 officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?		
3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
<input type="checkbox"/> Compensation committee		
<input type="checkbox"/> Independent compensation consultant		
<input type="checkbox"/> Form 990 of other organizations		
<input type="checkbox"/> Written employment contract		
<input checked="" type="checkbox"/> Compensation survey or study		
<input checked="" type="checkbox"/> Approval by the board or compensation committee		
4 During the year, did any person listed in 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?		No
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?		No
c Participate in, or receive payment from, an equity-based compensation arrangement?		No
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a The organization?	Yes	
b Any related organization?		No
If "Yes," to line 5a or 5b, describe in Part III		
6 For persons listed in 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?		No
b Any related organization?		No
If "Yes," to line 6a or 6b, describe in Part III		
7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III		No
8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III		No
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?		

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in 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, columns (D) and (E) for that individual

(A) Name		(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 reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Dr Linda Fillipi	(i)	176,785	0	0	0	7,645	184,430	0
	(ii)	0	0	0	0	0	0	0
(2) Dr Abdul Hafeez	(i)	231,932	0	0	0	17,735	249,667	0
	(ii)	0	0	0	0	0	0	0
(3) Dr Joshua Omotunde	(i)	256,591	0	0	0	18,467	275,058	0
	(ii)	0	0	0	0	0	0	0
(4) Dr Anthony Kotnik	(i)	170,932	0	0	0	17,509	188,441	0
	(ii)	0	0	0	0	0	0	0
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
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	(i)							
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	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III **Supplemental Information**

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

Identifier	Return Reference	Explanation
	Part I, Line 3	The Organization bases salaries and wages on the ND Healthcare Survey. There is an annual performance evaluation completed and then a raise, up to 3%, is given based on that evaluation.
	Part I, Line 5	Physician compensation is calculated monthly. Physicians earn 58 percent of gross revenues from gross professional charges.

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Christian Unity Hospital Corporation

Employer identification number
45-0310159

Part I Bond Issues

(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) Pool financing	
						Yes	No	Yes	No	Yes	No
A City of Grafton	45-6002080	384455BF7	04-23-2008	2,363,560	Capital improvements to hospital		X		X		X

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired	125,000							
2	Amount of bonds defeased								
3	Total proceeds of issue	2,363,560							
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrow								
7	Issuance costs from proceeds	47,000							
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	2,316,560							
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2009							
		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?		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 government <div>▶</div>	0 %							
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 government <div>▶</div>	0 %							
6	Total of lines 4 and 5	0 %							
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?		X						

Part IV

Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X						
2	Is the bond issue a variable rate issue?		X						
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a 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?								
5	Were any gross proceeds invested beyond an available temporary period?		X						
6	Did the bond issue qualify for an exception to rebate?		X						

Part V

Procedures To Undertake Corrective Action

Check the box if 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 ☐ Yes ☒ No

Part VI

Supplemental Information

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

Identifier	Return Reference	Explanation
------------	------------------	-------------

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 to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Chrstian Unity Hospital Corporation

Employer identification number
45-0310159

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 1	The organization has an Executive Commttee which is made up of the President, Vice President, Secretary, Treasurer and a Member at Large. The Executive Commttee has the power to transact regular business in betweeen board meetings. The Executive Commttee has the responsibility to serve as the nominating committee. Although the Executive Committee has authority to make decisions on behalf of the full board, the committee did not do so during the fiscal year.
	Form 990, Part VI, Section A, line 6	Membership in the corporation shall be either lifetime or annual, and shall be limited to adult individuals as follows: 1) Those individuals or companies contributing \$100 to the corporation, or to the development fund of the Medical Center Corporation, shall, upon specific request, be entitled to a life membership. If an individual or company makes a contribution of \$200 or more, they shall be entitled to designate one additional immediate family member or company employee (limited to two per family or company), respectively, for lifetime membership effective retroactively. 2) Those individuals residing in the Unity Medical Center service area shall be granted annual membership at no fee. They shall be granted annual membership status by showing proof of residing in the Corporation service area.
	Form 990, Part VI, Section A, line 7a	Each member of the corporation in good standing shall be qualified to cast one vote on any issue that may properly come before any meeting of the members of the corporation, and to hold any office in the corporation to which he or she may be elected or appointed.
	Form 990, Part VI, Section B, line 11	The CFO & CEO will review a draft of the Form 990. Unity Medical Center will provide the board members with a link and a password to an electronic copy of the 990.
	Form 990, Part VI, Section B, line 12c	Annually board members must sign a conflict of interest policy. If a board member believes that a conflict exists, it is their responsibility to bring the conflict to the attention of the board. The board will determine if a conflict exists. Any board members with a conflict of interest must abstain from voting on any issues relating to the conflict.
	Form 990, Part VI, Section B, line 15	A formal evaluation is completed for both the CEO and CFO. Comparability data is used from the North Dakota Hospital Association. At budget time each year the board will approve a percentage increase. The deliberation and decision is documented in the board minutes. The process was last completed in June 2012.
	Form 990, Part VI, Section C, line 19	The governing documents, conflict of interest policy and financial statements are made available upon request.
Director Compensation and Hours Devoted	Form 990, Part VII	Dr. Linda Filipi does not receive compensation for being the Medical Staff President on the Board of Directors. The compensation she received reported in Part VII is in relation to her medical services as a physician. She devoted 1 hour per week to her position as a Board Member. Susan Geiger devotes 1 hour per week to Unity Medical Center Foundation, a related organization.

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Christian Unity Hospital Corporation

Employer identification number
45-0310159

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

(a) Name, address, and EIN 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 organization	
						Yes	No
(1) Unity Medical Center Foundation 164 West 13th Street Grafton, ND 58237 36-3522304	Fundraising for Unity Medical Center	ND	501(c)(3)	Line 7	Christian Unity Hospital Corporation DBA Unity Medical Center	Yes	

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

Part V

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

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

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?

a

Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b

Gift, grant, or capital contribution to related organization(s)

c

Gift, grant, or capital contribution from related organization(s)

d

Loans or loan guarantees to or for related organization(s)

e

Loans or loan guarantees by related organization(s)

f

Sale of assets to related organization(s)

g

Purchase of assets from related organization(s)

h

Exchange of assets with related organization(s)

i

Lease of facilities, equipment, or other assets to related organization(s)

j

Lease of facilities, equipment, or other assets from related organization(s)

k

Performance of services or membership or fundraising solicitations for related organization(s)

l

Performance of services or membership or fundraising solicitations by related organization(s)

m

Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

n

Sharing of paid employees with related organization(s)

o

Reimbursement paid to related organization(s) for expenses

p

Reimbursement paid by related organization(s) for expenses

q

Other transfer of cash or property to related organization(s)

r

Other transfer of cash or property from related organization(s)

Yes

No

1a

No

1b

No

1c

Yes

1d

No

1e

Yes

1f

No

1g

No

1h

No

1i

No

1j

No

1k

No

1l

No

1m

Yes

1n

Yes

1o

No

1p

Yes

1q

No

1r

No

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 other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) Unity Medical Center Foundation	C	109,007	Contribution amount per GL
(2) Unity Medical Center Foundation	E	81,549	N/P secured by Fdtn's investments
(3)			
(4)			
(5)			
(6)			

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.

[illegible]

Part VII

Supplemental Information

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

Identifier	Return Reference	Explanation	
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Consolidated Financial Statements
June 30, 2012 and 2011

Unity Medical Center and Subsidiary
Grafton, North Dakota

Unity Medical Center and Subsidiary

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June 30, 2012 and 2011

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Independent Auditor's Report

The Board of Trustees
Christian Unity Hospital Corporation
d/b/a Unity Medical Center
Grafton, North Dakota

We have audited the accompanying consolidated balance sheets of Christian Unity Hospital Corporation d/b/a Unity Medical Center and Subsidiary (Medical Center) as of June 30, 2012 and 2011, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Medical Center's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Medical Center's internal control over financial reporting. Accordingly, we do not express such an opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Christian Unity Hospital Corporation d/b/a Unity Medical Center and Subsidiary as of June 30, 2012 and 2011, and the results of their operations, changes in net assets, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Eric Bailly LLP". The signature is written in a cursive, flowing style.

Fargo, North Dakota
October 26, 2012

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	2012	2011
Assets		
Current Assets		
Cash and cash equivalents	\$ 389,507	\$ 126,793
Receivables		
Patient, net of estimated uncollectibles		
of \$656,000 in 2012 and \$814,000 in 2011	1,316,593	1,351,041
Estimated third-party payor settlements	196,000	133,000
Pledges	112,950	155,587
Other	80,360	82,105
Supplies	126,092	105,952
Prepaid expenses	51,447	53,256
Total current assets	2,272,949	2,007,734
Assets Limited as to Use		
By Board for capital improvements	1,060,614	984,182
Under bond indenture agreement	161,175	161,175
Total assets limited as to use	1,221,789	1,145,357
Property and Equipment, Net	3,160,446	3,317,685
Other Assets		
Deferred financing costs, net of accumulated amortization		
of \$9,063 in 2012 and \$6,888 in 2011	56,187	58,362
Pledges receivable, net of estimated uncollectibles		
of \$4,272 in 2012 and \$8,488 in 2011	22,491	112,104
Total other assets	78,678	170,466
Total assets	\$ 6,733,862	\$ 6,641,242

See Notes to Consolidated Financial Statements

Unity Medical Center and Subsidiary
Consolidated Balance Sheets
June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Liabilities and Net Assets		
Current Liabilities		
Note payable	\$ -	\$ 60,000
Current maturities of long-term debt	148,885	119,307
Accounts payable	391,407	306,126
Construction payables	33,160	-
Accrued expenses		
Salaries and wages	175,567	154,099
Vacation and sick	248,714	236,814
Interest	18,808	19,380
Other	55,357	49,911
Total current liabilities	<u>1,071,898</u>	<u>945,637</u>
Long-Term Debt, Less Current Maturities	<u>2,215,937</u>	<u>2,264,750</u>
Total liabilities	<u>3,287,835</u>	<u>3,210,387</u>
Net Assets		
Unrestricted	3,197,914	3,103,873
Temporarily restricted	<u>248,113</u>	<u>326,982</u>
Total net assets	<u>3,446,027</u>	<u>3,430,855</u>
Total liabilities and net assets	<u><u>\$ 6,733,862</u></u>	<u><u>\$ 6,641,242</u></u>

Unity Medical Center and Subsidiary
Consolidated Statements of Operations
Years Ended June 30, 2012 and 2011

	2012	2011
Unrestricted Revenues, Gains and Other Support		
Net patient service revenue	\$ 7,865,329	\$ 7,618,124
Other revenue	242,288	126,315
	<u>8,107,617</u>	<u>7,744,439</u>
Total revenues, gains and other support		
Expenses		
Nursing services	1,571,604	1,328,936
Other professional services	2,027,875	1,933,483
Clinic services	1,267,076	1,370,636
General services	626,007	615,314
Administrative and fiscal services	1,780,541	1,686,114
Depreciation and amortization	486,614	509,581
Provision for bad debts	647,925	839,697
Interest	130,097	142,255
	<u>8,537,739</u>	<u>8,426,016</u>
Total expenses		
Operating Loss	<u>(430,122)</u>	<u>(681,577)</u>
Other Income		
Investment income	95,218	68,039
Sales tax revenues	216,556	210,305
Contributions and other	58,374	42,766
	<u>370,148</u>	<u>321,110</u>
Total other income		
Expenses in Excess of Revenues	(59,974)	(360,467)
Change in Unrealized Gains and Losses on Investments	(35,947)	105,989
Net Assets Released From Restriction	142,255	158,701
Contributions for Long-Lived Assets	47,707	30,804
	<u>94,041</u>	<u>(64,973)</u>
Increase (decrease) in Unrestricted Net Assets		

Unity Medical Center and Subsidiary
Consolidated Statements of Changes in Net Assets
Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Unrestricted Net Assets		
Expenses in excess of revenues	\$ (59,974)	\$ (360,467)
Change in unrealized gains and losses on investments	(35,947)	105,989
Net assets released from restrictions	142,255	158,701
Contributions for long-lived assets	<u>47,707</u>	<u>30,804</u>
Increase (decrease) in unrestricted net assets	<u>94,041</u>	<u>(64,973)</u>
Temporarily Restricted Net Assets		
Restricted contributions	63,386	45,307
Net assets released from restrictions	<u>(142,255)</u>	<u>(160,371)</u>
Decrease in temporarily restricted net assets	<u>(78,869)</u>	<u>(115,064)</u>
Increase (decrease) in Net Assets	15,172	(180,037)
Net Assets, Beginning of Year	<u>3,430,855</u>	<u>3,610,892</u>
Net Assets, End of Year	<u><u>\$ 3,446,027</u></u>	<u><u>\$ 3,430,855</u></u>

Unity Medical Center and Subsidiary
Consolidated Statements of Cash Flows
Years Ended June 30, 2012 and 2011

	2012	2011
Operating Activities		
Change in net assets	\$ 15,172	\$ (180,037)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	486,614	509,581
Provisions for bad debt	647,925	839,697
Proceeds from sales tax revenue	(216,556)	(210,305)
Change in unrealized gains and losses on investments	35,947	(105,989)
Contributions for long-lived assets	(47,707)	(30,804)
Restricted contributions	(63,386)	(45,307)
Realized loss (gain) on sale of investments	(22,016)	9,170
Changes in assets and liabilities		
Receivables	(611,732)	(777,648)
Estimated third-party payor settlements	(63,000)	81,000
Supplies	(20,140)	(6,076)
Prepaid expenses	1,809	835
Accounts payable	85,281	(30,362)
Accrued expenses	38,242	17,468
Net Cash From Operating Activities	<u>266,453</u>	<u>71,223</u>
Investing Activities		
Purchase of property and equipment	(182,011)	(134,183)
Purchase of investments limited as to use by Board	(302,263)	(138,619)
Sale of investments limited as to use by Board	211,900	106,891
Decrease in assets limited as to use by bond indenture agreement	-	96,583
Net Cash Used For Investing Activities	<u>(272,374)</u>	<u>(69,328)</u>
Financing Activities		
Decrease in note payable	(60,000)	(89,624)
Repayment of long-term debt	(131,340)	(289,760)
Proceeds from sales tax revenue	216,556	210,305
Contributions for long-lived assets	47,707	30,804
Restricted contributions	50,957	5,924
Collection of pledge receivables	144,755	158,701
Net Cash From (Used For) Financing Activities	<u>268,635</u>	<u>26,350</u>
Net Increase in Cash and Cash Equivalents	262,714	28,245
Cash and Cash Equivalents, Beginning of Year	<u>126,793</u>	<u>98,548</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 389,507</u></u>	<u><u>\$ 126,793</u></u>

Unity Medical Center and Subsidiary
Consolidated Statements of Cash Flows
Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	<u>\$ 130,669</u>	<u>\$ 141,975</u>
Supplemental Disclosure of Non-cash Investing and Financing Activity		
Equipment financed through construction payable	<u>\$ 33,160</u>	
Equipment financed through capital lease	<u>\$ 112,092</u>	
Increase in pledges receivable	<u>\$ 112,092</u>	<u>\$ 39,383</u>

Note 1 - Organization and Significant Accounting Policies

Organization

Christian Unity Hospital Corporation d/b/a Unity Medical Center (Medical Center) is a 17-bed acute care hospital and clinic located in Grafton, North Dakota. The Medical Center is the sole member of Unity Hospital Foundation (Foundation).

Principles of Consolidation

The consolidated financial statements include the accounts of the Medical Center and Foundation (referred to as the Medical Center). Significant inter-company accounts and transactions have been eliminated in the consolidation.

Income Taxes

The Medical Center is organized as a North Dakota nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Medical Center is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Medical Center is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purpose. The Medical Center has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990T) with the IRS.

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

Fair Value Measurements

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

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

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

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less, excluding assets limited as to use.

Patient Receivables

Patient receivables are uncollateralized patient and third-party payor obligations. Payments of patient receivables are allocated to the specific claims identified on the remittance advice or, if unspecified, are applied to the earliest unpaid claim.

The carrying amount of patient receivables is reduced by a valuation allowance that reflects management's estimate of amounts that will not be collected from patients and third-party payors. Management reviews patient receivables by payor class and applies percentages to determine estimated amounts that will not be collected from third parties under contractual agreements and amounts that will not be collected from patients due to bad debts. Management considers historical write off and recovery information in determining the estimated bad debt provision.

Pledges Receivable – Fair Value Election

Unconditional promises to give are reported at net realizable value if, at the time the promise is made, payment is expected to be received in one year or less. Unconditional promises that are expected to be collected in more than one year are reported at fair value initially and in subsequent periods because the Medical Center has elected that measure in accordance with Accounting Standards Codification (ASC) 825-10. Management believes that the use of fair value reduces the cost of measuring unconditional promises to give in periods subsequent to their receipt and provides equal or better information to the users of the financial statements than if those promises were measured using present value techniques and historical discount rates.

Supplies

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

Assets Limited as to Use

Assets limited as to use are assets set aside by the Board of Trustees for future capital improvements, over which the Board retains control and may, at its discretion subsequently, use for other purposes, and assets limited as to use under bond indenture agreement. Assets limited as to use that are available for obligations classified as current liabilities are reported in current assets.

Investments and Investment Income

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheet. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in expenses in excess of revenues unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from expenses in excess of revenues unless the investments are trading securities.

Property and Equipment

Property and equipment acquisitions in excess of \$5,000 are capitalized and recorded at cost. Depreciation is provided over the estimated useful life of each depreciable asset and is computed on the straight-line method. The estimated useful lives of property and equipment are as follows:

Land improvements	10-15 years
Buildings and fixed equipment	5-40 years
Equipment	3-20 years

Gifts of long-lived assets such as land, buildings, or equipment are reported as additions to unrestricted net assets and are excluded from expenses in excess of revenues 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 net assets. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when donated or when acquired long-lived assets are placed in service.

Deferred Financing Costs

Deferred financing costs are amortized over the period the related obligation is outstanding using the straight-line method.

Accrued Vacation and Sick Leave

Medical Center employees earn vacation and sick leave at varying rates depending on years of service. Employees may accumulate leave balances up to a specified maximum. Employees are paid for accumulated leave balances if employment is terminated.

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. At June 30, 2012 and 2011, the Medical Center did not have permanently restricted net assets.

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 prospectively determined rates per discharge, 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.

Sales Tax Revenue

The Medical Center receives revenue from a 1% county sales tax on purchases in Walsh County, North Dakota. In addition, the Medical Center receives half of a 1% economic development sales tax assessed on purchases made in Walsh County, North Dakota. These funds are to be used to support operations. Sales tax revenue is recognized when the funds are received from Walsh County. Sales tax revenue recognized totaled \$216,556 and \$210,305 for the years ended June 30, 2012 and 2011.

Expenses in Excess of Revenues

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

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 established rates. Because the Medical Center does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The amount of charges foregone for services provided under the Medical Center's charity care policy were approximately \$63,000 and \$66,000 for the years ended June 30, 2012 and 2011. Total direct and indirect costs related to these foregone charges were \$50,000 and \$53,000 at June 30, 2012 and 2011, based on average ratios of cost to gross charges.

Electronic Health Record Incentive Payments

The American Recover and reinvestment Act of 2009 (ARRA) amended the Social Security Act to establish incentive payments under the Medicare and Medicaid programs for certain hospital and professionals that meaningfully use certified Electronic Health Records (HER) technology

To qualify for the EHR incentive payments, hospitals and physicians must meet designated EHR meaningful use criteria. In addition, hospitals must attest that they have used certified EHR technology, satisfied the meaningful use objectives, and specify the EHR reporting period. This attestation is subject to audit by federal government or its designee. The EHR incentive payment to hospitals for each payment year is calculated as a product of (1) allowable costs as defined by the Centers for Medicare & Medicaid Services (CMS) and (2) the Medicare share. Once the initial attestation of meaningful is completed, critical access hospitals receive the entire EHR incentive payment for submitted allowable costs of respective periods in a lump sum, subject to a final adjustment on the cost report.

The Medical Center recognizes EHR incentive payments as revenue when there is reasonable assurance that the Medical Center will comply with the conditions attached to the incentive payments. As the entire EHR incentive payment is received in a lump sum for critical access hospitals and the Medical Center must annually attest to increasingly stringent meaningful use criteria, the EHR incentive payment is first recognized as a deferred revenue with a ratable recognition of revenue over a specified time period. EHR incentive payments are included in other operating revenue in the accompanying financial statements. The amount of EHR incentive payments recognized are based on management's best estimate and those amounts are subject to change with changes impacting the period in which they occur. The Medical Center has not received any EHR incentive payment as of June 30, 2012.

Donor-restricted Gifts

Unconditional promises to give cash and other assets 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 donor stipulated time restrictions or purpose restrictions are met or accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the statement of operations.

Advertising Costs

The Medical Center expenses advertising costs as they are incurred.

Note 2 - 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. A summary of the payment arrangements with major third-party payors follows:

Medicare. The Medical Center is licensed as a Critical Access Hospital. The Medical Center is reimbursed for most inpatient and outpatient services at cost plus 1% with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicare fiscal intermediary. The Medical Center's Medicare cost reports have been audited by the Medicare fiscal intermediary through June 30, 2010. Clinical services are paid on a fixed fee schedule or on a cost basis, subject to various limits, for rural health clinic services.

Medicaid. Inpatient and outpatient hospital services provided to Medicaid program beneficiaries are paid on a cost-related basis. Inpatient services are reimbursed using Medicare interim per diem rates, decreased by one percent, and outpatient services are paid at Medicare interim payment rates. Final cost settlements are determined based on the audited Medicare cost report. Clinical services are paid on a fixed fee schedule.

Blue Cross. Inpatient services rendered to Blue Cross subscribers are paid at prospectively determined rates per discharge. Outpatient services are reimbursed at outpatient payment fee screens or at charges less a prospectively determined discount. The prospectively determined discount is not subject to retroactive adjustment. Clinic services are paid on a fixed fee schedule.

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

Revenue from Medicare and Medicaid programs accounted for approximately 46% and 7% of the Medical Center's net patient service revenue for the year ended June 30, 2012 and 45% and 7% for the year ended June 30, 2011. Laws and regulations governing the Medicare, Medicaid, and other programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Net patient service revenue for the years ended June 30, 2012 and 2011 increased approximately \$57,000 and \$169,000, due to changes in estimates and final settlements of prior year cost reports.

A summary of patient service revenue and contractual adjustments for the years ended June 30, 2012 and 2011 is as follows

	<u>2012</u>	<u>2011</u>
Total patient service revenue	\$ 9,536,305	\$ 9,256,186
Contractual adjustments		
Medicare	(775,274)	(572,105)
Medicaid	(370,406)	(364,262)
Blue Cross/Blue Shield	(339,326)	(484,465)
Other	(185,970)	(217,230)
Total contractual adjustments	<u>(1,670,976)</u>	<u>(1,638,062)</u>
Net patient service revenue	<u>\$ 7,865,329</u>	<u>\$ 7,618,124</u>

Note 3 - Investments And Investment Income

Assets Limited as to Use

The composition of assets limited as to use at June 30, 2012 and 2011 is shown in the following table. Corporate bonds, corporate equity securities, and mutual funds are stated at fair value. Cash and short-term investments are stated at cost plus accrued interest.

	<u>2012</u>	<u>2011</u>
By Board for capital improvements		
Cash and short-term investments	\$ 185,307	\$ 79,572
Corporate bonds	136,815	131,198
Mutual funds	738,492	773,412
	<u>1,060,614</u>	<u>984,182</u>
Under bond indenture agreement		
Cash and short-term investments	<u>161,175</u>	<u>161,175</u>
	<u>\$ 1,221,789</u>	<u>\$ 1,145,357</u>

Investment Income

Investment income on assets limited as to use and cash equivalents consists of the following for the years ended June 30, 2012 and 2011

	2012	2011
Investment income		
Dividend and interest income	\$ 73,202	\$ 77,209
Realized gains (losses)	22,016	(9,170)
	<u>\$ 95,218</u>	<u>\$ 68,039</u>
Other changes in unrestricted net assets		
Change in unrealized gains and losses on investments	<u>\$ (35,947)</u>	<u>\$ 105,989</u>

Note 4 - Property and Equipment

A summary of property and equipment at June 30, 2012 and 2011 follows

	2012		2011	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	\$ 43,017	\$ -	\$ 43,017	\$ -
Land improvements	243,697	156,944	243,697	144,781
Buildings and fixed equipment	7,146,683	4,519,623	7,055,534	4,110,403
Equipment	2,388,735	2,045,136	2,212,701	1,982,080
Construction in progress	60,017	-	-	-
	<u>\$ 9,882,149</u>	<u>\$ 6,721,703</u>	<u>\$ 9,554,949</u>	<u>\$ 6,237,264</u>
Net property and equipment		<u>\$ 3,160,446</u>		<u>\$ 3,317,685</u>

Note 5 - Pledges Receivable

The Medical Center has received pledges from individuals in the community and the surrounding area. Certain pledges are receivable over a period of time, and are discounted at an annual rate of 4.5%. The following is a summary of pledges receivable at June 30, 2012 and 2011:

	2012	2011
Current pledges receivable	\$ 112,950	\$ 155,587
Amounts receivable in one to five years	28,314	127,932
	<u>141,264</u>	<u>283,519</u>
Less allowance for doubtful accounts	(4,272)	(8,488)
Less discount to present value	<u>(1,551)</u>	<u>(7,340)</u>
Pledges receivable	<u><u>\$ 135,441</u></u>	<u><u>\$ 267,691</u></u>

Note 6 - Note Payable

The Medical Center has an arrangement with a bank for a line of credit not to exceed \$200,000. The line of credit has a variable interest rate of prime plus 1.25% with a provision that the interest rate will not be less than 4.5%. At June 30, 2012, the interest rate was 4.5%. Interest on the outstanding balance is due monthly and outstanding principal is due December 2012. The line of credit is secured by accounts receivable and inventory. The balance outstanding on the line of credit was \$60,000 at June 30, 2011. There was no outstanding balance at June 30, 2012.

Note 7 - Leases

The Medical Center leases equipment under a long-term capital lease agreement. The capitalized leased asset consists of:

	2012	2011
Equipment	\$ 112,092	\$ -
Less accumulated depreciation	<u>(9,341)</u>	<u>-</u>
	<u><u>\$ 102,751</u></u>	<u><u>\$ -</u></u>

During 2012, the Medical Center entered into a capital lease for certain equipment. The lease requires monthly payments of \$3,369, including interest, at an imputed interest rate of 5.5%. Monthly payments are required through February 2015. The obligation is secured by the leased equipment.

Minimum future lease payments for the capital lease are as follows

<u>Year Ending September 30.</u>	<u>Amount</u>
2013	\$ 40,422
2014	40,422
2015	26,949
Total	<u>107,793</u>
Less Interest	<u>(7,724)</u>
Present value of minimum lease payments - Note 8	<u><u>\$ 100,069</u></u>

Note 8 - Long-Term Debt

	<u>2012</u>	<u>2011</u>
3 75% to 5 5% Sales Tax Revenue Bonds. Series 2008, due in varying annual installments, through May 2038, secured by tax revenues of the City of Grafton	\$ 2,180,000	\$ 2,225,000
4 5% note payable, due in monthly installments of \$5,603 including interest, to September 2013, secured by Foundation investments	81,549	143,502
5 75% note payable, due in monthly installments of \$1,078 including interest, to September 2012, secured by certain equipment	3,204	15,555
Capitalized lease obligation, Note 7	<u>100,069</u>	<u>-</u>
	2,364,822	2,384,057
Less current maturities	<u>(148,885)</u>	<u>(119,307)</u>
Long-term debt, less current maturities	<u><u>\$ 2,215,937</u></u>	<u><u>\$ 2,264,750</u></u>

Long-term debt maturities are as follows

<u>Year Ending June 30.</u>	<u>Amount</u>
2013	\$ 148,885
2014	104,534
2015	76,403
2016	50,000
2017	55,000
Thereafter	<u>1,930,000</u>
Total	<u><u>\$ 2,364,822</u></u>

Note 9 - Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30, 2012 and 2011

	2012	2011
Health care related programs	\$ 112,672	\$ 59,291
Property and equipment	135,441	267,691
	<u>\$ 248,113</u>	<u>\$ 326,982</u>

In 2012 and 2011, net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes in the amounts of \$142,000 and \$160,371. This amount is included in contributions for long-lived assets and net assets released from restrictions in the accompanying financial statements.

Note 10 - Pension Plan

The Medical Center has a 401k profit sharing plan that covers substantially all employees. To be eligible, the employee must be over 21 years of age, complete one year of service, and work over 1,000 hours. The employer contributions are determined annually by the Board of Trustees. There were no contributions to the pension plan for the years ended June 30, 2012 and 2011.

Note 11 - Concentration of Credit Risk

The Medical Center grants credit without collateral to its patients, most of whom are local citizens and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at June 30, 2012 and 2011 was as follows:

	2012	2011
Medicare	32%	24%
Medicaid	6%	4%
Blue Cross	11%	11%
Commercial insurance	19%	7%
Private pay	32%	54%
	<u>100%</u>	<u>100%</u>

Note 12 - Functional Expenses

The Medical Center provides health care services to residents within its geographic location. Expenses related to providing these services by functional class for the years ended June 30, 2012 and 2011 are as follows:

	2012	2011
Patient health care services	\$ 7,462,983	\$ 7,380,022
General and administrative	1,074,756	1,045,994
	<u>\$ 8,537,739</u>	<u>\$ 8,426,016</u>

Note 13 - Fair Value of Assets

Assets measured at fair value on a recurring basis at June 30, 2012 and 2011, respectively, are as follows:

	2012	2011
Corporate bonds	\$ 136,815	\$ 131,198
Mutual funds	738,492	773,412
Pledges receivable	135,441	267,691
Total	<u>\$ 1,010,748</u>	<u>\$ 1,172,301</u>

The related fair values of these assets and liabilities are determined as follows:

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
June 30, 2012			
Corporate bonds	\$ 136,815	\$ -	\$ -
Mutual funds	738,492	-	-
Pledges receivable	<u>-</u>	<u>-</u>	<u>135,441</u>
Total assets	<u>\$ 875,307</u>	<u>\$ -</u>	<u>\$ 135,441</u>

Unity Medical Center and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2012 and 2011

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
June 30, 2011			
Corporate bonds	\$ 131,198	\$ -	\$ -
Mutual funds	773,412	-	-
Pledges receivable	<u>-</u>	<u>-</u>	<u>267,691</u>
Total assets	<u>\$ 904,610</u>	<u>\$ -</u>	<u>\$ 267,691</u>

The fair value for corporate bonds, and mutual funds is determined by reference to quoted market prices. The fair value of pledges receivable is determined by discounting future cash flows to present value and assessing related credit risk.

Following is a reconciliation of activity for assets measured at fair value based upon significant unobservable (non-market) information

	Pledges Receivable
Balance, June 30, 2010	\$ 387,009
New pledges received	27,000
Change in present value calculation	8,414
Change in allowance for uncollectible pledges	3,969
Collections from pledges receivable	<u>(158,701)</u>
Balance, June 30, 2011	267,691
New pledges received	2,500
Change in present value calculation	5,789
Change in allowance for uncollectible pledges	4,216
Collections from pledges receivable	<u>(144,755)</u>
Balance, June 30, 2012	<u>\$ 135,441</u>

Note 14 - Contingencies

Malpractice Insurance

The Medical Center has malpractice insurance coverage to provide protection for professional liability losses on a claims-made basis subject to a limit of \$1 million per claim and an annual aggregate limit of \$5 million. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured.

Litigation, Claims, and Disputes

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

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

Note 15 - Subsequent Events

The Medical Center has evaluated subsequent events through October 26, 2012, the date which the consolidated financial statements were available to be issued.

Consolidating and Supplementary Information
June 30, 2012 and 2011

Unity Medical Center and Subsidiary

Independent Auditor's Report on Consolidating and Supplementary Information

The Board of Directors
Christian Unity Hospital Corporation
d/b/a Unity Medical Center
Grafton, North Dakota

We have audited the consolidated financial statements of Christian Unity Hospital Corporation d/b/a Unity Medical Center and Subsidiary as of and for the years ended June 30, 2012 and 2011, and our report thereon dated, October 26, 2012, which expressed an unqualified opinion on those consolidated financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 22 through 27 is presented for purposes of additional analysis of the basic consolidated financial statements rather than to present the financial position, results of operations, changes in net assets, and cash flows of the individual organizations. The supplementary information on pages 28 through 34 is presented for additional analysis and is not a required part of the basic consolidated financial statements. Such consolidating and supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The Statistical and Financial Highlights - Hospital shown on page 35, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. This information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in black ink that reads "Erik Sallie LLP". The signature is written in a cursive, flowing style.

Fargo, North Dakota
October 26, 2012

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	Medical Center	Foundation	Consolidated
Assets			
Current Assets			
Cash and cash equivalents	\$ 382,335	\$ 7,172	\$ 389,507
Receivables			
Patient, net	1,316,593	-	1,316,593
Estimated third-party pay or settlements	196,000	-	196,000
Pledges	-	112,950	112,950
Other	80,360	-	80,360
Supplies	126,092	-	126,092
Prepaid expenses	51,447	-	51,447
Total current assets	<u>2,152,827</u>	<u>120,122</u>	<u>2,272,949</u>
Assets Limited as to Use			
By Board for capital improvements	-	1,060,614	1,060,614
Under bond indenture agreement	-	161,175	161,175
Total assets limited as to use	<u>-</u>	<u>1,221,789</u>	<u>1,221,789</u>
Property and Equipment, Net	<u>3,160,446</u>	<u>-</u>	<u>3,160,446</u>
Other Assets			
Deferred financing costs, net	56,187	-	56,187
Pledges receivable, net	-	22,491	22,491
Total other assets	<u>56,187</u>	<u>22,491</u>	<u>78,678</u>
Total assets	<u>\$ 5,369,460</u>	<u>\$ 1,364,402</u>	<u>\$ 6,733,862</u>

Unity Medical Center and Subsidiary
Consolidating Balance Sheet
June 30, 2012

	Medical Center	Foundation	Consolidated
Liabilities and Net Assets			
Current Liabilities			
Current maturities of long-term debt	\$ 148,885	\$ -	\$ 148,885
Accounts payable	391,407	-	391,407
Construction payables	33,160	-	33,160
Accrued expenses			
Salaries and wages	175,567	-	175,567
Vacation and sick	248,714	-	248,714
Interest	18,808	-	18,808
Other	55,357	-	55,357
Total current liabilities	1,071,898	-	1,071,898
Long-Term Debt, Less Current Maturities	2,215,937	-	2,215,937
Total liabilities	3,287,835	-	3,287,835
Net Assets			
Unrestricted	1,968,953	1,228,961	3,197,914
Temporarily restricted	112,672	135,441	248,113
Total net assets	2,081,625	1,364,402	3,446,027
Total liabilities and net assets	\$ 5,369,460	\$ 1,364,402	\$ 6,733,862

Unity Medical Center and Subsidiary
Consolidating Statement of Operations
Year Ended June 30, 2012

	Medical Center	Foundation	Consolidated
Unrestricted Revenues, Gains and Other Support			
Net patient service revenue	\$ 7,865,329	\$ -	\$ 7,865,329
Other revenue	242,288	-	242,288
	<u>8,107,617</u>	<u>-</u>	<u>8,107,617</u>
Expenses			
Nursing services	1,571,604	-	1,571,604
Other professional services	2,027,875	-	2,027,875
Clinic services	1,267,076	-	1,267,076
General services	626,007	-	626,007
Administrative and fiscal services	1,752,063	28,478	1,780,541
Depreciation and amortization	486,614	-	486,614
Provision for bad debts	647,925	-	647,925
Interest	130,097	-	130,097
	<u>8,509,261</u>	<u>28,478</u>	<u>8,537,739</u>
Operating Loss	<u>(401,644)</u>	<u>(28,478)</u>	<u>(430,122)</u>
Other Income			
Investment income	48,325	46,893	95,218
Sales tax revenues	216,556	-	216,556
Contributions and other	-	58,374	58,374
	<u>264,881</u>	<u>105,267</u>	<u>370,148</u>
Revenues in Excess of (Less Than) Expenses	(136,763)	76,789	(59,974)
Transfers from (to) Related Party	109,007	(109,007)	-
Change in Unrealized Gains and Losses on Investments	-	(35,947)	(35,947)
Net Assets Released From Restriction		142,255	142,255
Contributions for Long-Lived Assets	<u>47,707</u>	<u>-</u>	<u>47,707</u>
Increase in Unrestricted Net Assets	<u>\$ 19,951</u>	<u>\$ 74,090</u>	<u>\$ 94,041</u>

Unity Medical Center and Subsidiary
Consolidating Statement of Changes in Net Assets
Year Ended June 30, 2012

	<u>Medical Center</u>	<u>Foundation</u>	<u>Consolidated</u>
Unrestricted Net Assets			
Revenues in excess of (less than) expenses	\$ (136,763)	\$ 76,789	\$ (59,974)
Transfers from (to) related party	109,007	(109,007)	-
Change in unrealized gains and losses on investments	-	(35,947)	(35,947)
Net assets released from restrictions	-	142,255	142,255
Contributions for long-lived assets	47,707	-	47,707
	<u>19,951</u>	<u>74,090</u>	<u>94,041</u>
Increase in unrestricted net assets			
Temporarily Restricted Net Assets			
Restricted contributions	53,381	10,005	63,386
Net assets released from restrictions	-	(142,255)	(142,255)
	<u>53,381</u>	<u>(132,250)</u>	<u>(78,869)</u>
Increase (decrease) in temporarily restricted net assets			
Increase (decrease) in Net Assets	73,332	(58,160)	15,172
Net Assets, Beginning of Year	<u>2,008,293</u>	<u>1,422,562</u>	<u>3,430,855</u>
Net Assets, End of Year	<u><u>\$ 2,081,625</u></u>	<u><u>\$ 1,364,402</u></u>	<u><u>\$ 3,446,027</u></u>

	Medical Center	Foundation	Consolidated
Assets			
Current Assets			
Cash and cash equivalents	\$ 117,279	\$ 9,514	\$ 126,793
Receivables			
Patient, net	1,351,041	-	1,351,041
Estimated third party pay or settlements	133,000	-	133,000
Pledges	-	155,587	155,587
Other	82,105	-	82,105
Supplies	105,952	-	105,952
Prepaid expenses	53,256	-	53,256
Total current assets	1,842,633	165,101	2,007,734
Assets Limited as to Use			
By Board for capital improvements	-	984,182	984,182
Under bond indenture agreement	-	161,175	161,175
Total assets limited as to use	-	1,145,357	1,145,357
Property and Equipment, Net	3,317,685	-	3,317,685
Other Assets			
Deferred financing costs, net	58,362	-	58,362
Pledges receivable, net	-	112,104	112,104
Total other assets	58,362	112,104	170,466
Total assets	\$ 5,218,680	\$ 1,422,562	\$ 6,641,242

Unity Medical Center and Subsidiary
Consolidating Balance Sheet
June 30, 2011

	Medical Center	Foundation	Consolidated
Liabilities and Net Assets			
Current Liabilities			
Note payable	\$ 60,000	\$ -	\$ 60,000
Current maturities of long-term debt	119,307	-	119,307
Accounts payable	306,126	-	306,126
Accrued expenses			
Salaries and wages	154,099	-	154,099
Vacation and sick	236,814	-	236,814
Interest	19,380	-	19,380
Other	49,911	-	49,911
Total current liabilities	945,637	-	945,637
Long-Term Debt, Less Current Maturities	2,264,750	-	2,264,750
Total liabilities	3,210,387	-	3,210,387
Net Assets			
Unrestricted	1,949,002	1,154,871	3,103,873
Temporarily restricted	59,291	267,691	326,982
Total net assets	2,008,293	1,422,562	3,430,855
Total liabilities and net assets	\$ 5,218,680	\$ 1,422,562	\$ 6,641,242

Unity Medical Center and Subsidiary
Consolidating Statement of Operations
Year Ended June 30, 2011

	Medical Center	Foundation	Consolidated
	<u> </u>	<u> </u>	<u> </u>
Unrestricted Revenues, Gains and Other Support			
Net patient service revenue	\$ 7,618,124	\$ -	\$ 7,618,124
Other revenue	126,315	-	126,315
	<u> </u>	<u> </u>	<u> </u>
Total revenues, gains and other support	7,744,439	-	7,744,439
	<u> </u>	<u> </u>	<u> </u>
Expenses			
Nursing services	1,328,936	-	1,328,936
Other professional services	1,933,483	-	1,933,483
Clinic services	1,370,636	-	1,370,636
General services	615,314	-	615,314
Administrative and fiscal services	1,654,139	31,975	1,686,114
Depreciation and amortization	509,581	-	509,581
Provision for bad debts	839,697	-	839,697
Interest	142,255	-	142,255
	<u> </u>	<u> </u>	<u> </u>
Total expenses	8,394,041	31,975	8,426,016
	<u> </u>	<u> </u>	<u> </u>
Operating Loss	(649,602)	(31,975)	(681,577)
	<u> </u>	<u> </u>	<u> </u>
Other Income			
Investment income	53,845	14,194	68,039
Sales tax revenues	210,305	-	210,305
Contributions and other	-	42,766	42,766
	<u> </u>	<u> </u>	<u> </u>
Total other income	264,150	56,960	321,110
	<u> </u>	<u> </u>	<u> </u>
Revenues in Excess of (Less Than) of Expenses	(385,452)	24,985	(360,467)
Transfers from (to) Related Party	193,907	(193,907)	-
Change in Unrealized Gains and Losses on Investments	-	105,989	105,989
Net assets released from restriction	-	158,701	158,701
Contributions for Long-Lived Assets	1,670	29,134	30,804
	<u> </u>	<u> </u>	<u> </u>
Increase (Decrease) in Unrestricted Net Assets	\$ (189,875)	\$ 124,902	\$ (64,973)
	<u> </u>	<u> </u>	<u> </u>

Unity Medical Center and Subsidiary
Consolidating Statement of Changes in Net Assets
Year Ended June 30, 2011

	<u>Medical Center</u>	<u>Foundation</u>	<u>Consolidated</u>
Unrestricted Net Assets			
Revenues in excess of (less than) of expenses	\$ (385,452)	\$ 24,985	\$ (360,467)
Transfers from (to) related party	193,907	(193,907)	-
Change in unrealized gains and losses on investments	-	105,989	105,989
Net assets released from restrictions		158,701	158,701
Contributions for long-lived assets	1,670	29,134	30,804
	<u>(189,875)</u>	<u>124,902</u>	<u>(64,973)</u>
Increase (decrease) in unrestricted net assets			
Temporarily Restricted Net Assets			
Restricted contributions	5,924	39,383	45,307
Net assets released from restrictions	(1,670)	(158,701)	(160,371)
	<u>4,254</u>	<u>(119,318)</u>	<u>(115,064)</u>
Increase (decrease) in temporarily restricted net assets			
Increase (Decrease) in Net Assets	(185,621)	5,584	(180,037)
Net Assets, Beginning of Year	<u>2,193,914</u>	<u>1,416,978</u>	<u>3,610,892</u>
Net Assets, End of Year	<u><u>\$ 2,008,293</u></u>	<u><u>\$ 1,422,562</u></u>	<u><u>\$ 3,430,855</u></u>

	<u>2012</u>	<u>2011</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 382,335	\$ 117,279
Receivables		
Patient, net of estimated uncollectibles		
of \$656,000 in 2012 and \$814,000 in 2011	1,316,593	1,351,041
Estimated third-party payor settlements	196,000	133,000
Other	80,360	82,105
Supplies	126,092	105,952
Prepaid expenses	<u>51,447</u>	<u>53,256</u>
Total current assets	<u>2,152,827</u>	<u>1,842,633</u>
Property and Equipment, Net	<u>3,160,446</u>	<u>3,317,685</u>
Other Assets		
Deferred Financing Costs, Net of Accumulated Amortization		
of \$9,063 in 2012 and \$6,888 in 2011	<u>56,187</u>	<u>58,362</u>
Total assets	<u><u>\$ 5,369,460</u></u>	<u><u>\$ 5,218,680</u></u>

Unity Medical Center and Subsidiary
Balance Sheet – Hospital
June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Liabilities and Net Assets		
Current Liabilities		
Notes payable	\$ -	\$ 60,000
Current maturities of long-term debt	148,885	119,307
Accounts payable	391,407	306,126
Construction payable	33,160	-
Accrued expenses		
Salaries and wages	175,567	154,099
Vacation and sick	248,714	236,814
Interest	18,808	19,380
Other	55,357	49,911
	<u>1,071,898</u>	<u>945,637</u>
Total current liabilities	1,071,898	945,637
Long-Term Debt, Less Current Maturities	<u>2,215,937</u>	<u>2,264,750</u>
	<u>3,287,835</u>	<u>3,210,387</u>
Total liabilities	3,287,835	3,210,387
Net Assets		
Unrestricted	1,968,953	1,949,002
Temporarily restricted	112,672	59,291
	<u>2,081,625</u>	<u>2,008,293</u>
Total net assets	2,081,625	2,008,293
Total liabilities and net assets	<u>\$ 5,369,460</u>	<u>\$ 5,218,680</u>

Unity Medical Center and Subsidiary
Schedules of Operations – Hospital
Years Ended June 30, 2012 and 2011

	2012	2011
Unrestricted Revenues, Gains and Other Support		
Net patient service revenue	\$ 7,865,329	\$ 7,618,124
Other revenue	242,288	126,315
	<u>8,107,617</u>	<u>7,744,439</u>
Total revenues, gains and other support		
Expenses		
Nursing services	1,571,604	1,328,936
Other professional services	2,027,875	1,933,483
Clinic services	1,267,076	1,370,636
General services	626,007	615,314
Administrative and fiscal services	1,752,063	1,654,139
Depreciation and amortization	486,614	509,581
Provision for bad debts	647,925	839,697
Interest	130,097	142,255
	<u>8,509,261</u>	<u>8,394,041</u>
Total expenses		
Operating Loss	<u>(401,644)</u>	<u>(649,602)</u>
Other Income		
Investment income	48,325	53,845
Sales tax revenues	216,556	210,305
	<u>264,881</u>	<u>264,150</u>
Total other income		
Expenses in Excess of Revenues	(136,763)	(385,452)
Transfers from Related Party	109,007	193,907
Contributions for Long-Lived Assets	<u>47,707</u>	<u>1,670</u>
Increase (decrease) in Unrestricted Net Assets	<u>\$ 19,951</u>	<u>\$ (189,875)</u>

Unity Medical Center and Subsidiary
Schedules of Changes in Net Assets – Hospital
Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Unrestricted Net Assets		
Expenses in excess of revenues	\$ (136,763)	\$ (385,452)
Transfers from related party	109,007	193,907
Contributions for long-lived assets	<u>47,707</u>	<u>1,670</u>
Decrease in unrestricted net assets	<u>19,951</u>	<u>(189,875)</u>
Temporarily Restricted Net Assets		
Restricted contributions	53,381	5,924
Net assets released from restrictions	<u>-</u>	<u>(1,670)</u>
Increase in temporarily restricted net assets	<u>53,381</u>	<u>4,254</u>
Increase (decrease) in Net Assets	73,332	(185,621)
Net Assets, Beginning of Year	<u>2,008,293</u>	<u>2,193,914</u>
Net Assets, End of Year	<u><u>\$ 2,081,625</u></u>	<u><u>\$ 2,008,293</u></u>

2012			
	Inpatient	Outpatient	Total
Patient Service Revenue			
Routine care			
Medical and surgical	\$ 580,856	\$ 222,261	\$ 803,117
Swing bed	348,105	-	348,105
Total routine care	928,961	222,261	1,151,222
Ancillary services			
Clinic	-	2,039,357	2,039,357
Laboratory	119,033	1,123,748	1,242,781
Radiology	66,593	1,105,599	1,172,192
Physical therapy	68,290	503,732	572,022
Occupational therapy	17,256	3,619	20,875
Home health	-	7,344	7,344
Central service and supply	183,917	324,226	508,143
Anesthesia	10,194	90,678	100,872
Emergency room	16,185	967,133	983,318
Intravenous therapy	15,052	29,799	44,851
Respiratory therapy	111,331	210,412	321,743
Operating room	22,616	430,921	453,537
Pharmacy	182,711	161,397	344,108
Chemotherapy	-	459,336	459,336
Cardiac rehab	-	24,878	24,878
Electrocardiography	6,667	39,990	46,657
Observation	-	-	-
Recovery room	1,702	79,853	81,555
Electroencephalography	-	-	-
Diabetes education	-	24,606	24,606
Total ancillary services	821,547	7,626,628	8,448,175
	\$ 1,750,508	\$ 7,848,889	9,599,397
Less charity care - charges foregone			(63,092)
Total patient service revenue			9,536,305
Contractual Adjustments			
Medicare			(775,274)
Medicaid			(370,406)
Blue Cross/Blue Shield			(339,326)
Other			(185,970)
Total contractual adjustments			(1,670,976)
Net Patient Service Revenue			\$ 7,865,329

Unity Medical Center and Subsidiary
Schedules of Net Patient Service Revenue – Hospital
Years Ended June 30, 2012 and 2011

2011		
<u>Inpatient</u>	<u>Outpatient</u>	<u>Total</u>
\$ 658,084	\$ 334,482	\$ 992,566
258,730	-	258,730
<u>916,814</u>	<u>334,482</u>	<u>1,251,296</u>
-	2,033,014	2,033,014
148,611	1,123,729	1,272,340
74,035	891,766	965,801
51,292	503,925	555,217
13,527	5,003	18,530
-	7,662	7,662
167,398	233,258	400,656
24,676	78,282	102,958
21,385	869,209	890,594
19,237	24,724	43,961
108,345	220,451	328,796
58,145	332,103	390,248
195,096	144,095	339,191
-	551,676	551,676
-	38,722	38,722
5,902	43,524	49,426
-	2,006	2,006
4,000	51,253	55,253
-	842	842
-	23,694	23,694
<u>891,649</u>	<u>7,178,938</u>	<u>8,070,587</u>
<u>\$ 1,808,463</u>	<u>\$ 7,513,420</u>	<u>9,321,883</u>
		<u>(65,697)</u>
		<u>9,256,186</u>
		(572,105)
		(364,262)
		(484,465)
		<u>(217,230)</u>
		<u>(1,638,062)</u>
		<u>\$ 7,618,124</u>

Unity Medical Center and Subsidiary
Schedules of Other Revenue – Hospital
Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Other Revenue		
Grant revenue	\$ 188,434	\$ 74,425
Medical records	4,142	5,621
Other	<u>49,712</u>	<u>46,269</u>
Total Other Revenue	<u><u>\$ 242,288</u></u>	<u><u>\$ 126,315</u></u>

	2012		
	Salaries	Other	Total
Nursing Services			
General nursing	\$ 593,179	\$ 103,918	\$ 697,097
Operating room	116,409	162,830	279,239
Central supply	34,911	72,277	107,188
Emergency room	232,690	255,390	488,080
Total nursing care	977,189	594,415	1,571,604
Other Professional Services			
Laboratory	230,597	272,542	503,139
Electrocardiography	-	1,307	1,307
Radiology	161,022	440,737	601,759
Pharmacy	11,645	119,406	131,051
Anesthesia	-	77,641	77,641
Respiratory therapy	102,566	70,023	172,589
Physical therapy	211,627	19,890	231,517
Chemotherapy	35,185	229,567	264,752
Cardiac rehab	19,897	1,679	21,576
Diabetes education	20,558	1,986	22,544
Total other professional services	793,097	1,234,778	2,027,875
Clinic Services	1,209,376	57,700	1,267,076
General Services			
Dietary	80,813	37,945	118,758
Operation of plant	148,562	358,687	507,249
Total general services	229,375	396,632	626,007

Unity Medical Center and Subsidiary
Schedules of Expenses – Hospital
Years Ended June 30, 2012 and 2011

2011		
Salaries	Other	Total
\$ 594,915	\$ 106,172	\$ 701,087
105,981	185,434	291,415
34,110	60,540	94,650
143,194	98,590	241,784
878,200	450,736	1,328,936
225,207	265,156	490,363
-	381	381
158,479	294,617	453,096
12,407	163,797	176,204
-	81,858	81,858
91,626	67,088	158,714
202,549	9,340	211,889
35,845	277,071	312,916
21,253	3,243	24,496
21,539	2,027	23,566
768,905	1,164,578	1,933,483
1,314,004	56,632	1,370,636
76,809	37,378	114,187
147,035	354,092	501,127
223,844	391,470	615,314

	2012		
	Salaries	Other	Total
Administrative and Fiscal Services			
Administrative	\$ 166,441	\$ 905,306	\$ 1,071,747
Business office	107,098	42,350	149,448
Medical records	197,193	16,400	213,593
Admitting	78,996	-	78,996
Accounting	92,209	71,147	163,356
Community relations	10,647	32,243	42,890
Infection control	29,827	2,206	32,033
Total administrative and fiscal services	682,411	1,069,652	1,752,063
Depreciation and Amortization	-	486,614	486,614
Provision for Bad Debts	-	647,925	647,925
Interest	-	130,097	130,097
Total Expenses	\$ 3,891,448	\$ 4,617,813	\$ 8,509,261

Unity Medical Center and Subsidiary
Schedules of Expenses – Hospital
Years Ended June 30, 2012 and 2011

2011		
Salaries	Other	Total
\$ 143,773	\$ 869,828	\$ 1,013,601
105,030	37,632	142,662
189,038	13,789	202,827
75,849	-	75,849
87,193	66,700	153,893
9,920	26,561	36,481
26,958	1,868	28,826
637,761	1,016,378	1,654,139
-	509,581	509,581
-	839,697	839,697
-	142,255	142,255
<u>\$ 3,822,714</u>	<u>\$ 4,571,327</u>	<u>\$ 8,394,041</u>

Unity Medical Center and Subsidiary
Statistical and Financial Highlights – Hospital
Five Years Ended June 30, 2012

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Statistical					
Adult days	739	873	708	861	760
Swing bed days	863	738	1,030	1,080	747
Discharges - adult	177	220	219	260	242
Discharges - swing-bed	65	56	68	98	65
Average length of stay - adult	4.2	4.0	3.2	3.3	3.1
Average length of stay - swing-bed	14.2	13.2	15.1	11.0	11.5
Clinic visits	12,220	12,941	13,733	17,312	17,467
Financial					
Current ratio	1.6 to 1	1.9 to 1	1.9 to 1	1.4 to 1	1.2 to 1
Number of days revenue in patient receivables, net	61.3	64.7	72.6	78.2	65.6
Contractual adjustments as a percentage of total patient service revenue	17.5%	17.7%	17.3%	21.3%	19.0%
Salaries as a percentage of total expenses	45.7%	45.5%	49.7%	48.0%	50.7%