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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 10-01-2011 and ending 09-30-2012

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization
CRAIG HOSPITAL

Doing Business As

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

3425 S CLARKSON STREET

City or town, state or country, and ZIP + 4
ENGLEWOOD, CO 80113

F Name and address of principal officer
MICHAEL FORDYCE
3425 S CLARKSON STREET
ENGLEWOOD,CO 80113

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.CRAIGHOSPITAL.ORG

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1910

M State of legal domicile CO

Part I	Summary			
Activities & Governance	1	Briefly describe the organization's mission or most significant activities SEE SCHEDULE O TO ADVOCATE FOR AND PROVIDE EXEMPLARY REHABILITATION CARE TO PEOPLE AFFECTED BY SPINAL CORD AND TRAUMATIC BRAIN INJURY SO THAT THEY CAN ACHIEVE OPTIMAL HEALTH, INDEPENDENCE, AND LIFE QUALITY		
	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	18
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	16
	5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	818
	6	Total number of volunteers (estimate if necessary)	6	170
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
Revenue	b	Net unrelated business taxable income from Form 990-T, line 34	7b	0
Expenses	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	3,234,594	3,007,509
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	69,636,427	77,649,940
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,160,866	480,118
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,018,687	1,586,272
			75,050,574	82,723,839
	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	40,155,188	41,778,299
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
Net Assets or Fund Balances	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ ⁰		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	28,304,474	30,727,224
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	68,459,662	72,505,523
	19	Revenue less expenses Subtract line 18 from line 12	6,590,912	10,218,316
			Beginning of Current Year	End of Year
	20	Total assets (Part X, line 16)	121,568,773	132,405,697
	21	Total liabilities (Part X, line 26)	23,031,483	22,252,380
	22	Net assets or fund balances Subtract line 21 from line 20	98,537,290	110,153,317

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

2013-08-07
Date

JULIE KEEGAN VICE PRESIDENT
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ DORI J EGGETT

Date

Check if self-employed ▶ ☐

Preparer's taxpayer identification number (see instructions)
P00645252

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ EKS&H LLLP
7979 E TUFTS AVENUE SUITE 400
DENVER, CO 802372521

EIN ▶ 46-1497033
Phone no ▶ (303) 740-9400

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

SEE SCHEDULE O CRAIG HOSPITAL IS A 93-BED LONG-TERM ACUTE CARE AND REHABILITATION HOSPITAL THAT PROVIDES CARE EXCLUSIVELY FOR PATIENTS WITH SPINAL CORD AND TRAUMATIC BRAIN INJURIES CRAIG HOSPITAL PROVIDES A COMPREHENSIVE SYSTEM OF INPATIENT AND OUTPATIENT MEDICAL CARE, REHABILITATION, NEUROSURGICAL REHABILITATIVE CARE AND LONG-TERM FOLLOW-UP SERVICES

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 \$ 55,996,881 including grants of \$) (Revenue \$ 77,649,940)

GENERAL HOSPITAL PROVIDES REHABILITATION AND MEDICAL SERVICES EXCLUSIVELY TO PATIENTS WITH SPINAL CORD AND TRAUMATIC BRAIN INJURY ON BOTH AN INPATIENT AND OUTPATIENT BASIS DURING THE TAX YEAR, THE HOSPITAL PROVIDED 27,049 DAYS OF INPATIENT CARE AND 2,851 OUTPATIENT VISITS AND INCURRED THESE EXPENSES PROVIDING SERVICES

4b

(Code) (Expenses \$ 2,671,017 including grants of \$) (Revenue \$ 2,671,017)

CRAIG HOSPITAL IS DESIGNATED BY NIDRR AS A MODEL SYSTEM FOR BOTH SPINAL CORD INJURY AND TRAUMATIC BRAIN INJURY CRAIG IS ALSO THE TRAUMATIC BRAIN INJURY MODEL SYSTEMS NATIONAL DATA AND STATISTICAL CENTER AND ALSO CONDUCTED SEVERAL OTHER RESEARCH PROJECTS SUPPORTED BY NIDRR, CDC, DOD OTHER FOUNDATIONS AND INDUSTRY DURING THE YEAR, CRAIG HOSPITAL'S RESEARCH DEPARTMENT EMPLOYED A STAFF OF 23 AND INCURRED THESE EXPENSES TO SUPPORT THESE CRITICAL RESEARCH PROJECTS

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 \$ 58,667,898

Part IV

Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i> 	1	Yes
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? 	2	Yes
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i>	3	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? <i>If "Yes," complete Schedule C, Part II.</i>	4	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? <i>If "Yes," complete Schedule C, Part III.</i>	5	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? <i>If "Yes," complete Schedule D, Part I.</i> 	6	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? <i>If "Yes," complete Schedule D, Part II.</i> 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> 	8	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? <i>If "Yes," complete Schedule D, Part IV.</i> 	9	No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 	10	Yes
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> 	11a	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? <i>If "Yes," complete Schedule D, Part VII.</i> 	11b	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? <i>If "Yes," complete Schedule D, Part VIII.</i> 	11c	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? <i>If "Yes," complete Schedule D, Part IX.</i> 	11d	No
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 	11e	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)? <i>If "Yes," complete Schedule D, Part X.</i> 	11f	Yes
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> 	12a	No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> 	12b	Yes
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	13	No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	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? <i>If "Yes," complete Schedule F, Part I.</i>	14b	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 ? <i>If "Yes," complete Schedule F, Part II and IV.</i>	15	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 ? <i>If "Yes," complete Schedule F, Part III and IV.</i>	16	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? <i>If "Yes," complete Schedule G, Part I.</i>	17	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? <i>If "Yes," complete Schedule G, Part II.</i>	18	No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>	19	No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i> 	20a	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. 	20b	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	Yes	
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	Yes	
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"/>		
		YesNo
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. .	84
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1cYes
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements filed for the calendar year ending with or within the year covered by this return. .	2a818
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).	2bYes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3aNo
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)?	4aNo
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?	5aNo
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5bNo
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?	6aNo
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?	7aNo
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?	7cNo
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?	7eNo
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7fNo
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?	14aNo
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		
1a	18		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	16
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?	2	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?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	No
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?	7a	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	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	9	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?	10a	No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes
b	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	12a	Yes
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes
13	Did the organization have a written whistleblower policy?	13	Yes
14	Did the organization have a written document retention and destruction policy?	14	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?		
a	The organization's CEO, Executive Director, or top management official	15a	Yes
b	Other officers or key employees of the organization	15b	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?	16a	No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed <input checked="" type="checkbox"/> CO
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 <input checked="" type="checkbox"/> JULIE KEEGAN 3425 S CLARKSON ST ENGLEWOOD, CO 801132811 (303) 789-8443

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) LAURIE FENSKE DIRECTOR	2 00	X						0	0	0
(2) MARILYN TAYLOR DIRECTOR	2 00	X						0	0	0
(3) TOM BALAZY MD DIRECTOR	2 00	X						0	0	0
(4) H GREG AUSTIN DIRECTOR	2 00	X						0	0	0
(5) JASON REGIER DIRECTOR	2 00	X						0	0	0
(6) VANDY VANWAGENER DIRECTOR	2 00	X						0	0	0
(7) JANET HOUSER SECRETARY/DIRECTOR	2 00	X						0	0	0
(8) NAN HINTON DIRECTOR	2 00	X						0	0	0
(9) JUSTIN MONINGER DIRECTOR	2 00	X						0	0	0
(10) HUGH RICE DIRECTOR	2 00	X						0	0	0
(11) TED SHANNON DIRECTOR	2 00	X						0	0	0
(12) TOM MALLEY PAST CHAIR/CHAIR	2 00	X		X				0	0	0
(13) PETER BURG DIRECTOR/PAST CHAIR	2 00	X		X				0	0	0
(14) DAN MAY CHAIR/VICE CHAIR	2 00	X		X				0	0	0
(15) BILL LINDSAY VICE CHAIR/TREASURER	2 00	X		X				0	0	0
(16) SHELLY MOSES-REED TREASURER/SECRETARY	2 00	X		X				0	0	0
(17) MIKE FORDYCE PRESIDENT & CEO	40 00	X		X				556,751	0	30,172

Part VII

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

(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			
(18) MARY FELLER DIRECTOR	2 00	X						0	175,325	6,819
(19) MARY SISSEL DIRECTOR	2 00	X						0	0	0
(20) JULIE KEEGAN VP FINANCE	40 00			X				246,758	0	27,823
(21) DANA POLONSKY VP CLINICAL SERVICES	40 00			X				195,611	0	25,705
(22) DIANE REINHARD VP PATIENT CARE	40 00			X				204,109	0	26,195
(23) LESTER BUTT DIRECTOR - PSYCHOLOGY	40 00					X		170,054	0	26,084
(24) KENNETH HOSACK DIRECTOR - PROVIDER RELAT	40 00					X		156,128	0	25,482
(25) DR GALE WHITENECK DIRECTOR - RESEARCH	40 00					X		163,655	0	20,082
(26) CHRIS WATKINS DIRECTOR - IT	40 00					X		146,684	0	25,015
(27) CYNTHIA BRADEN DIRECTOR - QC	40 00					X		136,002	0	16,699
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								1,975,752	175,325	230,076

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▶26

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

Section B. Independent Contractors

1

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

(A) Name and business address	(B) Description of services	(C) Compensation
SWEDISH MEDICAL CENTER 501 E HAMPDEN AVE ENGLEWOOD, CO 80110	MEDICAL SERVICES	11,173,873
CNS MEDICAL GROUP PC PO BOX 924 DENVER, CO 80271	MED DIR /RESEARCH	798,679
ISIS INC 699 E SOUTH TEMPLE 300 SALT LAKE CITY, UT 84102	RESEARCH SERVICES	323,364
GH PHIPPS CONSTRUCTION CO PO BOX 3237 ENGLEWOOD, CO 80155	CONSTRUCTION SERVICES	235,884
HOSPITAL COOPERATIVE LAUNDRY INC 6225 E 38TH AVENUE DENVER, CO 80256	LAUNDRY SERVICES	234,626

2

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

Part VIII

Statement of Revenue

				(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	336,492				
	e	Government grants (contributions)	1e	2,671,017				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f					
	g	Noncash contributions included in lines 1a-1f \$ _____						
	h	Total. Add lines 1a-1f		3,007,509				
Program Service Revenue			Business Code					
	2a	MEDICAL SERVICES REND	621110	76,954,390	76,954,390			
	b	PATIENT APARTMENTS	721000	695,550	695,550			
	c							
	d							
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f		77,649,940				
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		895,123			895,123	
	4	Income from investment of tax-exempt bond proceeds . .						
	5	Royalties						
	6a	(i) Real		(ii) Personal				
		Gross rents	112,419					
		b Less rental expenses	0					
		c Rental income or (loss)	112,419					
	d	Net rental income or (loss)		112,419			112,419	
	7a	(i) Securities		(ii) Other				
		Gross amount from sales of assets other than inventory						
		b Less cost or other basis and sales expenses		415,005				
		c Gain or (loss)		-415,005				
	d	Net gain or (loss)		-415,005			-415,005	
	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	OTHER REVENUE	900099	834,080	834,080				
b	REIMB GRANT INDIR	900099	571,966	571,966				
c	RDS REVENUE	900099	67,807	67,807				
d	All other revenue							
e	Total. Add lines 11a-11d		1,473,853					
12	Total revenue. See Instructions		82,723,839	79,123,793	0		592,537	

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	1,416,818		1,416,818	
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	31,489,887	26,526,943	4,962,944	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	2,159,847	1,777,530	382,317	
9	Other employee benefits	4,363,885	3,442,456	921,429	
10	Payroll taxes	2,347,862	1,982,858	365,004	
11	Fees for services (non-employees)				
a	Management				
b	Legal	146,728		146,728	
c	Accounting	71,810		71,810	
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees	155,700		155,700	
g	Other	13,602,790	12,821,792	780,998	
12	Advertising and promotion	162,637		162,637	
13	Office expenses	1,115,299	573,097	542,202	
14	Information technology	1,716,768		1,716,768	
15	Royalties				
16	Occupancy	971,820	952,785	19,035	
17	Travel	332,311	163,560	168,751	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	38,582		38,582	
20	Interest	21,023		21,023	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	4,418,819	3,059,422	1,359,397	
23	Insurance	239,870		239,870	
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	3,329,218	3,327,006	2,212	
b	RESEARCH EXPENSE	2,671,017	2,671,017		
c	FOOD EXPENSE	750,015	750,015		
d	EQUIPMENT REPAIR & MAIN	547,067	439,085	107,982	
e					
f	All other expenses	435,750	180,332	255,418	
25	Total functional expenses. Add lines 1 through 24f	72,505,523	58,667,898	13,837,625	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				14,345,901	1	23,631,031
	2	Savings and temporary cash investments				39,729,973	2	38,788,738
	3	Pledges and grants receivable, net				295,423	3	392,705
	4	Accounts receivable, net				17,362,085	4	18,380,893
	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				455,432	8	458,033
	9	Prepaid expenses and deferred charges				935,960	9	1,274,451
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	87,438,730				
	b	Less: accumulated depreciation	10b	39,092,816		47,396,869	10c	48,345,914
	11	Investments—publicly traded securities					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				1,047,130	15	1,133,932
	16	Total assets. Add lines 1 through 15 (must equal line 34)				121,568,773	16	132,405,697
Liabilities	17	Accounts payable and accrued expenses				13,326,483	17	13,397,380
	18	Grants payable					18	
	19	Deferred revenue					19	
	20	Tax-exempt bond liabilities				9,705,000	20	8,855,000
	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					23	
	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				23,031,483	26	22,252,380
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				98,537,290	27	110,153,317
	28	Temporarily restricted net assets					28	
	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				98,537,290	33	110,153,317
	34	Total liabilities and net assets/fund balances				121,568,773	34	132,405,697

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	82,723,839
2	Total expenses (must equal Part IX, column (A), line 25)	2	72,505,523
3	Revenue less expenses Subtract line 2 from line 1	3	10,218,316
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	98,537,290
5	Other changes in net assets or fund balances (explain in Schedule O)	5	1,397,711
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	110,153,317

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	Yes	
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?	Yes	
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	Yes	

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 CRAIG HOSPITAL	Employer identification number 84-0404233
--	--

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 See**section 509(a)(4).**

11

☐

An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box 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 (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 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support							
Calendar year (or fiscal year beginning in)		(a) 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 14	15
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	<input type="checkbox"/>
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	<input type="checkbox"/>
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	<input type="checkbox"/>
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	<input type="checkbox"/>
18	Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions	<input type="checkbox"/>

Part 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
CRAIG HOSPITAL

Employer identification number
84-0404233

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

► \$ _____

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2011

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

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part 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	5,660,063	5,891,806	5,504,902	5,092,975	
b Contributions	13,940	16,145	39,957	264,956	
c Investment earnings or losses	919,369	-244,941	346,947	665,274	
d Grants or scholarships					
e Other expenditures for facilities and programs	4,982,388	2,947	0	518,303	
f Administrative expenses					
g End of year balance	1,610,984	5,660,063	5,891,806	5,504,902	

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ 17 000 %

b

Permanent endowment ▶ 83 000 %

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)

Yes

b

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

3b

Yes

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		5,860,189		5,860,189
b Buildings		33,677,207	12,668,877	21,008,330
c Leasehold improvements				
d Equipment		44,297,100	26,012,252	18,284,848
e Other		3,604,234	411,687	3,192,547
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				48,345,914

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)	182,723,839
2	Total expenses (Form 990, Part IX, column (A), line 25)	272,505,523
3	Excess or (deficit) for the year Subtract line 2 from line 1	310,218,316
4	Net unrealized gains (losses) on investments	41,397,711
5	Donated services and use of facilities	
6	Investment expenses	
7	Prior period adjustments	
8	Other (Describe in Part XIV)	84,175,437
9	Total adjustments (net) Add lines 4 - 8	95,573,148
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	1015,791,464

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	188,146,355
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments	2a1,397,711
b	Donated services and use of facilities	2b
c	Recoveries of prior year grants	2c
d	Other (Describe in Part XIV)	2d4,175,455
e	Add lines 2a through 2d	2e5,573,166
3	Subtract line 2e from line 1	382,573,189
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)	4b150,650
c	Add lines 4a and 4b	4c150,650
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	582,723,839

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements	172,353,592
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-151,931
e	Add lines 2a through 2d	2e-151,931
3	Subtract line 2e from line 1	372,505,523
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	4c0
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	572,505,523

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
PART XI, LINE 8 - OTHER ADJUSTMENTS		FAS 136 RESTATEMENT - FOUNDATION NET INCOME 4,175,435 MISC RECLASS 2 TOTAL TO SCHEDULE D, PART XI, LINE 8 4,175,437
PART XII, LINE 2D - OTHER ADJUSTMENTS		FAS 136 RESTATEMENT - FOUNDATION NET INCOME 4,175,435 MISC RECLASS 20
PART XII, LINE 4B - OTHER ADJUSTMENTS		SUBSIDY FROM FOUNDATION 151,949 RDS NET INCOME - 1,299
PART XIII, LINE 2D - OTHER ADJUSTMENTS		T-REC SUBSIDY FROM FOUNDATION -151,949 MISC RECLASS 18
		FIN 48 PART X THE HOSPITAL APPLIES A MORE-LIKELY-THAN-NOT METHODOLOGY TO REFLECT THE FINANCIAL STATEMENT IMPACT OF UNCERTAIN TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN AFTER EVALUATING THE TAX POSITIONS TAKEN, NONE ARE CONSIDERED TO BE UNCERTAIN, THEREFORE NO AMOUNTS HAVE BEEN RECOGNIZED AS OF SEPTEMBER 30, 2012 AND 2011. IF INCURRED, INTEREST AND PENALTIES ASSOCIATED WITH TAX POSITIONS ARE RECORDED IN THE PERIOD ASSESSED IN OTHER PROGRAMS AND COSTS. NO INTEREST OR PENALTIES HAVE BEEN ASSESSED AS OF SEPTEMBER 30, 2012 AND 2011. TAX YEARS THAT REMAIN SUBJECT TO EXAMINATION INCLUDE 2008 THROUGH THE CURRENT PERIOD FOR THE FEDERAL RETURN AND 2007 THROUGH THE CURRENT PERIOD FOR THE COLORADO RETURN.
		PART V, LINE 4 ENDOWMENT FUNDS, WHICH ARE HELD BY CRAIG HOSPITAL FOUNDATION, A RELATED ORGANIZATION, SERVE A VARIETY OF PURPOSES INCLUDING SUPPORTING GRADUATES, CONTINUING PEER-MENTOR PROGRAM, ENSURING EXCELLENCE OF CRAIG HOSPITAL AND GENERAL PURPOSE.

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
CRAIG HOSPITAL

Employer identification number
84-0404233

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 <input type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Generally tailored to individual hospitals <input type="checkbox"/> Applied uniformly to most hospitals			
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 <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>300.000000000000 %</u> 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 <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>500.000000000000 %</u> 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	
		3b	Yes	
4	Did the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
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		No
6b	If "Yes," did the organization make it available to the public?	6b		
	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 Charnty care at cost (from Worksheet 1)			875,814	0	875,814	1 210 %
b Medicaid (from Worksheet 3, column a)			7,203,241	5,284,500	1,918,741	2 650 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs			8,079,055	5,284,500	2,794,555	3 860 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			71,093	0	71,093	0 100 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)			2,671,017	2,671,017		
i Cash and in-kind contributions for community benefit (from Worksheet 8)			135,727	0	135,727	0 190 %
j Total Other Benefits			2,877,837	2,671,017	206,820	0 290 %
k Total. Add lines 7d and 7j			10,956,892	7,955,517	3,001,375	4 150 %

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	35,751	
3Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	0	
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	5,795,001	
6Enter Medicare allowable costs of care relating to payments on line 5	6	8,004,270	
7Subtract line 6 from line 5. This is the surplus or (shortfall).	7	-2,209,269	
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		No
bIf "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		

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

[illegible]

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)

CRAIG HOSPITAL

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	
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 300 00000000000000% 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>500 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 checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input checked="" 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 checked="" 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 checked="" 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 checked="" type="checkbox"/> Other similar actions (describe in Part VI)	16	Yes	
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input checked="" type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input checked="" type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" 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		No
a <input checked="" 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 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	No

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? _____

Name and address		Type of Facility (Describe)
1		
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, 6i, 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 III, LINE 4	IN JULY 2011, THE FINANCIAL ACCOUNTING STANDARDS BOARD ISSUED ACCOUNTING STANDARDS UPDATE NO 2011-07, AN AMENDMENT TO THE ACCOUNTING STANDARDS CODIFICATION TOPIC 954, HEALTH CARE ENTITIES, WHICH REQUIRES HEALTH CARE ORGANIZATIONS THAT DO NOT ASSESS THE COLLECTABILITY OF A RECEIVABLE BEFORE RECOGNIZING REVENUE TO PRESENT THEIR PROVISION FOR BAD DEBT RELATED TO THE PATIENT SERVICE REVENUE AS A DEDUCTION FROM REVENUE, NET OF CONTRACTUAL ALLOWANCES AND DISCOUNTS, ON THEIR STATEMENT OF INCOME THIS GUIDANCE IS EFFECTIVE FOR THE HOSPITAL IN FISCAL YEAR 2013 AND WILL REQUIRE THE HOSPITAL TO CHANGE THE PRESENTATION OF THEIR CONSOLIDATED STATEMENT OF OPERATIONS BY RECLASSIFYING THE PROVISION FOR BAD DEBT ASSOCIATED WITH PATIENT SERVICE REVENUE FROM AN OPERATING EXPENSE TO A DEDUCTION FROM NET PATIENT SERVICE REVENUE CURRENT YEAR ESTIMATE IS BASED ON APPLYING THE COST TO CHARGE RATIO DETERMINED IN THE FILED MEDICARE COST REPORT BAD DEBT EXPENSE IS RECORDED WHEN ALL INTERNAL COLLECTION EFFORTS HAVE BEEN EXHAUSTED AND THE ACCOUNT BALANCES ARE ASSIGNED TO A COLLECTION AGENCY ANY RECOVERIES ARE NETTED AGAINST EXPENSE BASED ON THE COMMUNITY THAT WE SERVE, IT IS OFTEN DIFFICULT FOR PATIENTS TO FULFILL THEIR PAYMENT OBLIGATION DUE TO THEIR CURRENT AND FUTURE OUT OF POCKET HEALTH CARE COSTS RELATED TO THEIR DISABILITY

Identifier	ReturnReference	Explanation
	PART III, LINE 8	SOURCE OF DATA IS FILED MEDICARE COST REPORT MEDICARE PAYMENT RECEIVED IS INSUFFICIENT TO COVER COSTS OF PROVIDING CARE

Identifier	ReturnReference	Explanation
CRAIG HOSPITAL		PART V, SECTION B, LINE 11H SIZE OF HOUSEHOLD

Identifier	ReturnReference	Explanation
CRAIG HOSPITAL		PART V, SECTION B, LINE 13G APPLICATION SENT TO PATIENT WITH PRE-COLLECTION LETTER

Identifier	ReturnReference	Explanation
CRAIG HOSPITAL		PART V, SECTION B, LINE 16E ATTORNEY RESOLVING PAYMENT OR BENEFIT DISPUTES WITH INSURANCE LIENS FILED FOR THIRD PARTY LIABILITY SETTLEMENTS

Identifier	ReturnReference	Explanation
CRAIG HOSPITAL		PART V, SECTION B, LINE 19D SELF-PAY STANDARD DISCOUNT OR CHARITY APPLIES

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 CRAIG HOSPITAL ASSESSES COMMUNITY NEEDS THROUGH A VARIETY OF DIFFERENT PROGRAMS AS A CONDITION OF FEDERAL GRANT FUNDING, CRAIG'S RESEARCH DEPARTMENT CONDUCTS ON-GOING LONGITUDINAL STUDIES ON THE LONG-TERM AFFECTS AND NEEDS OF PERSONS WITH SPINAL CORD INJURY (SCI) AND BRAIN INJURY CRAIG ALSO OPERATES A FREE SCI NURSE ADVICE LINE AND COLLECTS DATA ON WHY FORMER PATIENTS CALL FOR ASSISTANCE CRAIG ALSO COLLABORATES WITH THE BRAIN INJURY ALLIANCE OF COLORADO, ROCKY MOUNTAIN HUMAN SERVICES, THE HANGOUT, THE CHRISTOPHER AND DANA REEVE PEER NETWORK PROGRAM, AND OTHER COMMUNITY ORGANIZATIONS TO ASSESS AND MEET THE LONG TERM NEEDS OF CITIZENS WITH DISABILITIES

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 3 THE ADMISSIONS DEPARTMENT IDENTIFIES PATIENTS WHO HAVE LIMITED BENEFITS AND COMPARE THE BENEFITS TO THE ESTIMATED LENGTH OF STAY WHEN THERE IS A SHORTAGE OF DAYS ALLOWED THROUGH INSURANCE, THE ADMISSIONS DIRECTOR WILL HAVE A DISCUSSION WITH THE PATIENT/FAMILY TO DETERMINE ALTERNATIVE COVERAGE THIS DISCUSSION ENCOMPASSES THE PATIENT/FAMILY'S ABILITY TO PAY FOR THE CARE, POTENTIAL ELIGIBILITY FOR FEDERAL AND STATE PROGRAMS, AND THE CHARITY CARE PROGRAM UPON ADMISSION TO THE HOSPITAL, THE SOCIAL WORKERS/COUNSELORS COMPLETE A THOROUGH PSYCHO-SOCIAL ASSESSMENT OF THE PATIENT/FAMILY SPECIFICALLY EXPLORING FINANCIAL STATUS THE COUNSELORS CONSIDER HOUSE HOLD INCOME POST SURGERY, FAMILY SIZE, ASSETS, CURRENT AND FUTURE LIVING EXPENSES, AND FINANCIAL OBLIGATIONS INCLUDING EXPECTATIONS OF FUTURE CARE NEEDS THE COUNSELORS, ALONG WITH THE PATIENT/FAMILY, ASSESS OTHER POTENTIAL RESOURCES/PROGRAMS FOR WHICH THE PATIENT MAY QUALIFY RESOURCES AND PROGRAMS EVALUATED INCLUDE, BUT ARE NOT LIMITED TO MEDICAID, CICP, VICTIM'S ASSISTANCE, LIABILITY AND LIQUIDITY, ACCIDENTAL DEATH AND DISMEMBERMENT, AND THE CHARITY CARE PROGRAM IF IT APPEARS AS THOUGH THE PATIENT WILL QUALIFY FOR STATE OR FEDERAL PROGRAMS, THE COUNSELOR WILL ASSIST THE PATIENT /FAMILY IN COMPLETION OF THE APPLICATIONS, OBTAINING THE REQUIRED DOCUMENTATION AND IN ADVISING THEM HOW TO POSITION THEMSELVES TO QUALIFY IF PATIENTS DO NOT MEET THE CRITERIA FOR OTHER STATE OR FEDERAL PROGRAMS, THE FINANCIAL ASSISTANCE ELIGIBILITY DISCOUNT GUIDELINE IS UTILIZED TO DETERMINE IF THE PATIENT'S BILL WILL BE DISCOUNTED IF APPROPRIATE, THE COUNSELOR WILL INITIATE AND ASSIST THE PATIENT/FAMILY IN COMPLETING THE FINANCIAL ASSISTANCE APPLICATION FOR THE CHARITY CARE PROGRAM APPLICATIONS MAY ALSO BE OBTAINED ON THE CRAIG WEBSITE, COMPLETED OVER THE PHONE OR VIA MAIL IF IT IS NOT CLEAR THAT THE PATIENT/FAMILY WILL HAVE A BALANCE PRIOR TO DISCHARGE (CO-PAYS, OUT OF POCKET, ETC) THE PATIENT/FAMILY WILL RECEIVE INFORMATION ON THE CHARITY CARE PROGRAM INCLUDED ON THE MONTHLY STATEMENTS AND WILL BE MAILED A COPY OF THE APPLICATION ALONG WITH LETTER FOR PRE COLLECTION AT THIS TIME THE PATIENT CAN COMPLETE THE APPLICATION ALL APPLICATIONS ARE REVIEWED BY THE A/R MANAGER, VICE PRESIDENT OF FINANCE AND/OR THE CONTROLLER WHEN IT IS DETERMINED THAT THE CHARITY IS APPROPRIATE, THIS IS COMMUNICATED TO THE PATIENT/FAMILY BY THE COUNSELOR OR THE ACCOUNTS RECEIVABLE MANAGER</p>

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 4 AS ONE OF THE MOST RECOGNIZED SPECIALTY REHABILITATION AND RESEARCH HOSPITALS IN THE WORLD FOR PATIENTS WITH SPINAL CORD AND BRAIN INJURY, CRAIG CONTRIBUTES TO THE LOCAL, STATE, AND NATIONAL COMMUNITIES IN MYRIADS OF WAYS IN THE AREAS OF EDUCATION, DISABILITY AWARENESS TRAINING, HANDICAP ACCESSIBILITY, AND OTHER FORMS OF SUPPORT AS A NON-PROFIT FREE STANDING HOSPITAL, CRAIG CURRENTLY HAS 562 FTE EMPLOYEES AND UTILIZES 170 VOLUNTEERS FROM THE COMMUNITY CRAIG IS THE LARGEST REHABILITATION HOSPITAL IN COLORADO SERVING PATIENTS WITH SPINAL CORD INJURY (SCI) AND TRAUMATIC BRAIN INJURY (TBI) AND SERVES THE LARGEST PERCENTAGE OF THE 150 NEWLY INJURED SCI AND 5,000 TBI PATIENTS PER YEAR IN COLORADO, WITH INPATIENT, OUTPATIENT, AND LONG TERM FOLLOW-UP SERVICES THERE ARE APPROXIMATELY 2,400 PEOPLE WITH SCI AND 175,000 WITH TBI LIVING IN COLORADO APPROXIMATELY 50% OF CRAIG'S PATIENTS ARE COLORADO RESIDENTS WHILE THE REMAINDER COME FROM VIRTUALLY EVERY OTHER STATE AND EVEN SOME FROM FOREIGN COUNTRIES THE AVERAGE AGE OF OUR PATIENTS IS 38 YEARS OLD, 75% ARE MALE, AND ALL COME FROM VARIED SOCIO-ECONOMIC BACKGROUNDS CRAIG PROVIDES SIGNIFICANT SUPPORT TO THE COMMUNITY SUCH AS HELPING TRAIN RTD TRANSPORTATION PERSONNEL, AIRLINE PERSONNEL, SIGNIFICANTLY SUPPORTS THE BRAIN INJURY ALLIANCE OF COLORADO, CONDUCTS ANNUAL OUTPATIENT CLINICS IN PUEBLO AND GRAND JUNCTION, COLORADO AND CASPER, WYOMING, CONDUCTS PREVENTION PROGRAMS IN LOCAL SCHOOLS, AND SERVES ON MULTIPLE BOARDS FOR STATE AGENCIES AND ORGANIZATIONS (TBI TRUST FUND, DIVISION OF WORKERS COMPENSATION TBI MEDICAL TREATMENT GUIDELINES, ROCKY MOUNTAIN HUMAN SERVICES, COLORADO BRAIN INJURY PROFESSIONALS NETWORK, COLORADO NEUROLOGICAL INSTITUTE, THE HANGOUT AND OTHERS), AND OFFERS FINANCIAL SCHOLARSHIPS FOR CRAIG "GRADUATES" FOR HIGHER EDUCATION, AND FINANCIALLY SUPPORTS MORE THAN 100 LOCAL, REGIONAL, AND NATIONAL ORGANIZATIONS EACH YEAR CRAIG COLLABORATES ON PATIENT RESEARCH AND TECHNOLOGY WITH THE UNIVERSITY OF COLORADO, COLORADO SCHOOL OF MINES, AND THE UNIVERSITY OF DENVER IN THE PAST FIVE YEARS, CRAIG HOSPITAL HAS SERVED MORE THAN 2,000 INPATIENTS WITH CATASTROPHIC SPINAL CORD AND BRAIN INJURIES, OF WHICH APPROXIMATELY ONE HALF WERE FROM COLORADO IN THE SAME TIME PERIOD, CRAIG SERVED MORE THAN 15,000 OUTPATIENTS, OF WHICH THREE QUARTERS WERE FROM COLORADO THESE NUMBERS DO NOT INCLUDE PATIENT SUPPORT SYSTEMS AND COMMUNITY MEMBERS- FAMILIES, FRIENDS, CO-WORKERS, AND EMPLOYERS CRAIG HOSPITAL'S PATIENT OUTCOMES ARE SUPERIOR IN COMPARISON TO VIRTUALLY EVERY REGIONAL AND NATIONAL AVERAGE IN THE MOST IMPORTANT MEASURES OF REHABILITATION OUTCOMES ON AVERAGE, CRAIG GRADUATES ARE MORE DEPENDENT WHEN THEY ARE ADMITTED, FUNCTIONALLY MAKE GREATER GAINS DURING THEIR INITIAL TREATMENT, ARE DISCHARGED HOME AT HIGHER RATES, RETURN TO WORK OR SCHOOL IN GREATER NUMBERS, ARE MORE FUNCTIONALLY INDEPENDENT AND REQUIRE LESS ATTENDANT CARE, HAVE FEWER RE-HOSPITALIZATIONS, HAVE HIGHER LEVELS OF COMMUNITY REINTEGRATION AND SATISFACTION WITH LIFE, AND HAVE HIGHER EARNING POWER THAN THEIR NATIONAL PEER GROUP TREATED IN OTHER REHABILITATION PROGRAMS OUR EXCEPTIONAL OUTCOMES VALIDATE THAT REHABILITATION IS AN INVESTMENT IN LONG-TERM SOCIETAL VALUE WHEN WE HELP PATIENTS BECOME AS INDEPENDENT AND PRODUCTIVE AS POSSIBLE, IT IS IN THEIR BEST INTEREST-AS WELL AS IN THE BEST INTEREST OF THEIR FAMILY, EMPLOYER, INSURANCE CARRIER, TAXPAYERS, AND TO THE COMMUNITY AS A WHOLE CRAIG ALSO SIGNIFICANTLY CONTRIBUTES TO THE PROFESSIONAL COMMUNITY IN 2012 CRAIG STAFF PUBLISHED 26 PAPERS AND CHAPTERS AND DELIVERED 109 PROFESSIONAL PRESENTATIONS EACH YEAR CRAIG STAFF AND PHYSICIANS RECEIVE NATIONAL AWARDS, AND IN 2012 CRAIG STAFF AND PHYSICIANS WON NINE MAJOR NATIONAL AWARDS ANOTHER RECENT ACCOMPLISHMENT IS THE SPINAL CORD INJURY NURSE ADVICE LINE, WHICH IS A TOLL FREE NATIONAL ADVICE LINE, WHICH HAS WON NATIONAL AWARDS CRAIG IS THE FIRST HOSPITAL IN COLORADO TO HAVE GROUP SPECIAL LICENSE PLATES WHICH WERE APPROVED BY THE 2011 LEGISLATURE CRAIG IS PIONEERING ADAPTIVE TECHNOLOGY AND CUTTING EDGE TREATMENT, AND IN 2011 CRAIG FOUNDED THE PEAK CENTER AT CRAIG HOSPITAL, A STATE-OF-THE ART WELLNESS AND FITNESS PROGRAM FOR INPATIENTS, OUTPATIENTS, AND COMMUNITY MEMBERSHIPS</p>

Identifier	ReturnReference	Explanation
OTHER INFORMATION		ALL BUT ONE OF THE 16 INDEPENDENT BOARD OF DIRECTORS RESIDE IN THE STATE OF COLORADO WHERE APPROXIMATELY 50% OF THE HOSPITAL'S PATIENTS RESIDE CRAIG HOSPITAL'S PURPOSE IS TO PROVIDE PATIENT CARE, EDUCATION AND RESEARCH THE BOARD OF DIRECTORS OF CRAIG HOSPITAL HAS ULTIMATE AUTHORITY IN EXTENDING PRIVILEGES ONLY TO PROFESSIONALLY COMPETENT PHYSICIANS, DENTISTS AND PODIATRISTS, LICENSED TO PRACTICE IN THE STATE OF COLORADO THERE ARE 220 PHYSICIANS ON THE MEDICAL STAFF OF CRAIG HOSPITAL, EACH ASSIGNED TO ONE OF FIVE SEPARATE MEDICAL STAFF CATEGORIES THE MEDICAL STAFF OF CRAIG HOSPITAL IS ORGANIZED AND OPERATES UNDER THE GUIDANCE OF THE MEDICAL STAFF BYLAWS, MEDICAL STAFF RULES AND REGULATIONS AND MEDICAL STAFF POLICIES AND PROCEDURES THE ORGANIZED MEDICAL STAFF IS ACCOUNTABLE TO THE GOVERNING BODY FOR THE QUALITY OF CARE, TREATMENT AND SERVICES PROVIDED TO PATIENTS BY THE PRACTITIONERS WITH PRIVILEGES THE MEDICAL STAFF IS RESPONSIBLE FOR ESTABLISHING AND MAINTAINING PATIENT CARE STANDARDS, CREDENTIALING AND DELINEATION OF CLINICAL PRIVILEGES ADDITIONALLY, THERE ARE 55 ALLIED HEALTH PROFESSIONALS, CATEGORIZED AS EITHER INDEPENDENT OR PHYSICIAN DIRECTED WHOM FUNCTION WITHIN ONE OR MORE HEALTH-RELATED PROFESSIONS OR OCCUPATIONS THE HOSPITAL USES EXCESS FUNDS TO FUND CAPITAL IMPROVEMENTS, EQUIPMENT FOR PATIENT PROGRAMS, AND PATIENT EDUCATION THE HOSPITAL PROVIDES LONG-TERM COMMUNITY SUPPORT THROUGH MULTIPLE PROGRAMS SUCH AS -SCI NURSE ADVICE LINE-ON-LINE FREE EDUCATIONAL MATERIALS AND HEALTH ASSESSMENT QUESTIONNAIRE TOOL ON CRAIG'S WEBSITE, WWW.CRAIGHOSPITAL.ORG, AND SOCIAL MEDIA- FACEBOOK, TWITTER, LINKED IN, YOUTUBE, AND BLOG - OUTREACH SCI CLINICS ANNUALLY IN PUEBLO, GRAND JUNCTION, CO AND CASPER, WY -\$100K SUPPORT PER YEAR TO COMMUNITY ORGANIZATIONS -\$10K SUPPORT PER YEAR TO BRAIN INJURY ALLIANCE OF COLO -STAFF SERVES ON HUNDREDS OF COMMUNITY ORGANIZATIONS- PUBLISH 26 PAPER CHAPTERS PER YEAR IN PROFESSIONAL LITERATURE-PRESENTATIONS 100-125 PER YEAR ON SCI/TBI-CHAired COLORADO CONCUSSION SPECIAL INTEREST GROUP-CHAired COLORADO TBI TRUST FUND-CHAired COLORADO WC TBI MEDICAL TREATMENT GUIDELINES-CHAired ROCKY MOUNTAIN HUMAN SERVICES MILITARY PROGRAM -CHAired COLORADO BL PROFESSIONALS NETWORK MEETING - "KIDS FOR CRAIG" INJURY PREVENTION PROGRAMS IN THE SCHOOLS-NIDRR MODEL SYSTEM CENTER FOR SCI AND TBI-ALUMNI HIGHER EDUCATION SCHOLARSHIP PROGRAM-CU, SCHOOL OF MINES, DU ADAPTIVE TECHNOLOGY COLLABORATIONS-ACCESSIBLE HOMES COLLABORATIONS-Q&A FEATURE ON HEALTH MATTERS ON CRAIG'S FACEBOOK PAGE-EMERGENCY PREPAREDNESS VENUES FOR ENGLEWOOD FIRE AND POLICE-COLUMBINE HIGH SCHOOL RUN FOR REMEMBRANCE BENEFIT-BLOOD DRIVES WITH BONFILS-COLLABORATE WITH CHRISTOPHER & DANA REEVE PEER NETWORK PROGRAM-TRAIN DENVER RTD & FRONTIER AIRLINES PERSONNEL ON PASSENGER ASSISTANCE

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
CRAIG HOSPITAL

Employer identification number
84-0404233

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		
	<div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div> <div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input checked="" type="checkbox"/> Health or social club dues or initiation fees</div><div><input checked="" type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	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	1b	Yes
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?	2	Yes
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		
	<div><div><input type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div></div> <div><div><input checked="" type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
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?	4a	No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c	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?	5a	No
b	Any related organization?	5b	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?	6a	No
b	Any related organization?	6b	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	7	Yes
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	8	No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9	

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) MIKE FORDYCE	(i)	379,680	128,697	48,374	10,385	19,787	586,923	0
	(ii)	0	0	0	0	0	0	0
(2) MARY FELLER	(i)	0	0	0	0	0	0	0
	(ii)	152,931	22,000	394	5,619	1,200	182,144	0
(3) JULIE KEEGAN	(i)	194,173	40,892	11,693	9,550	18,273	274,581	0
	(ii)	0	0	0	0	0	0	0
(4) DANA POLONSKY	(i)	146,181	39,714	9,716	7,660	18,045	221,316	0
	(ii)	0	0	0	0	0	0	0
(5) DIANE REINHARD	(i)	152,714	42,081	9,314	8,056	18,139	230,304	0
	(ii)	0	0	0	0	0	0	0
(6) LESTER BUTT	(i)	138,916	30,017	1,121	7,167	18,917	196,138	0
	(ii)	0	0	0	0	0	0	0
(7) KENNETH HOSACK	(i)	131,958	23,673	497	6,555	18,927	181,610	0
	(ii)	0	0	0	0	0	0	0
(8) DR GALE WHITENECK	(i)	134,066	28,956	633	6,842	13,240	183,737	0
	(ii)	0	0	0	0	0	0	0
(9) CHRIS WATKINS	(i)	125,804	20,428	452	6,139	18,876	171,699	0
	(ii)	0	0	0	0	0	0	0
(10) CYNTHIA BRADEN	(i)	111,945	23,564	493	5,488	11,211	152,701	0
	(ii)	0	0	0	0	0	0	0

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 1A	COUNTRY CLUB DUES AND FINANCIAL, ESTATE AND TAX PLANNING SERVICES PAID BY EMPLOYEE WERE REIMBURSED BY THE COMPANY AND INCLUDED IN EMPLOYEE'S FORM W2 TAXABLE WAGES
	PART I, LINE 4B	OFFICERS PARTICIPATE IN NON-QUALIFIED 457F RETIREMENT PLAN BUT NO PAY-OUTS WERE MADE DURING THE TAX YEAR
	PART I, LINE 7	DISCRETIONARY BONUSES OF UP TO 10% OF BASE PAY ARE PAID TO DEPARTMENT DIRECTORS, UP TO 15% FOR VICE PRESIDENTS AND UP TO 30% FOR CEO

Schedule K (Form 990)	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	
	Department of the Treasury Internal Revenue Service Name of the organization CRAIG HOSPITAL											Open to Public Inspection
											Employer identification number 84-0404233	

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 COLORADO HEALTH FACILITIES AUTHORITY	84-0752932	196474J76	06-01-2003	15,000,000	ADVANCE REFUNDING 1993/2001 BO		X		X		X

Part II

Proceeds

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

Part III

Private Business Use

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

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		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	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	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
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Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered
"Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c,
or Form 990-EZ, Part V lines 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
CRAIG HOSPITAL

Employer identification number
84-0404233

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

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

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ \$ _____

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$ _____

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Total ▶ \$ _____										

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV

Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) CNS MEDICAL GROUP	CONTRACTOR	798,679	MEDICAL DIRECTOR/RESEARCH		No
(2) LOCKTON COMPANIES	CONSULTANT	186,473	BENEFITS CONSULTING		No

Part V

Supplemental Information

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

Identifier	Return Reference	Explanation
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2011

Open to Public Inspection

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.

Name of the organization
CRAIG HOSPITAL

Employer identification number

84-0404233

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	PRIOR TO FILING, THE FORM 990 AND RELATED SCHEDULES WERE PRESENTED, REVIEWED AND APPROVED BY THE FINANCE/AUDIT COMMITTEE OF THE BOARD OF DIRECTORS. COPIES WERE ALSO DISTRIBUTED TO THE FULL BOARD ALONG WITH A REPORT FROM THE FINANCE/AUDIT COMMITTEE.
	FORM 990, PART VI, SECTION B, LINE 12C	ALL BOARD MEMBERS, VICE PRESIDENTS, AND DIRECTOR-LEVEL POSITIONS COMPLETE A DUALITY OF INTEREST FORM ANNUALLY AND ANY DISCLOSURES ARE SHARED WITH THE BOARD OF DIRECTORS.
	FORM 990, PART VI, SECTION B, LINE 15	THE EXECUTIVE COMMITTEE COMMISSIONS AN INDEPENDENT COMPENSATION CONSULTING FIRM EVERY 2-3 YEARS TO CONDUCT A STUDY OF COMPENSATION OF THE KEY LEADERSHIP POSITIONS WITHIN THE HOSPITAL UTILIZING DATA FROM BOTH LOCAL AND NATIONAL HOSPITALS. THIS DATA WAS UTILIZED BY THE EXECUTIVE COMMITTEE WHEN IT APPROVES THE COMPENSATION OF THE PRESIDENT/CEO AND OTHER TOP MANAGEMENT POSITIONS WITHIN THE HOSPITAL. ALL OF THE DETAILS OF THE DELIBERATION AND DECISION MAKING PROCESS ARE DOCUMENTED IN THE EXECUTIVE COMMITTEE MINUTES.
	FORM 990, PART VI, SECTION C, LINE 19	CRAIG HOSPITAL'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST.
	FORM 990, PART VII, SECTION A, COLUMN (B)	THE AVERAGE NUMBER OF HOURS COMMON DIRECTORS AND OFFICERS SPENT FOR RELATED ORGANIZATIONS ARE, MICHAEL FORDYCE 16 HRS/WEEK, JULIE KEEGAN 4 HRS/WEEK, MARY FELLER 40 HRS/WEEK, PETER BURG 2 HRS/WEEK, MARY SISSEL 15 HRS/WEEK.
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 1,397,711

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
CRAIG HOSPITAL

Employer identification number
84-0404233

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
(1) REHABILITATION DOC SERVICE 3425 S CLARKSON ST ENGLEWOOD, CO 801132811 03-0434653	SOFTWARE DEVELOPMENT	CO	1,299	137,994	CRAIG HOSPITAL

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) CRAIG HOSPITAL FOUNDATION 3425 S CLARKSON ST ENGLEWOOD, CO 80113 23-7352287	FUNDRAISING	CO	501(C)(3)	11A/TYPE I	CRAIG HOSPITAL	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
(1) ADAPTIVE EQUIPMENT COMPANY 3425 CLARKSON STREET ENGLEWOOD, CO 801132811 84-1280869	DISCONTINUED OPERATIONS	CO		C			100.000 %

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

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

Yes

No

No

No

No

No

No

No

No

Yes

Yes

Yes

No

Yes

No

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) CRAIG HOSPITAL FOUNDATION	C	336,492	ACTUAL COSTS
(2) CRAIG HOSPITAL FOUNDATION	P	1,058,290	ACTUAL COSTS
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2011

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.

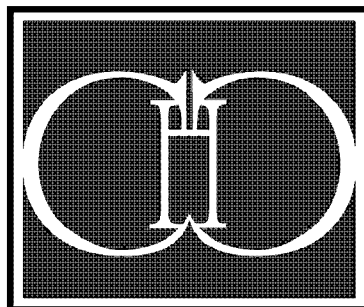
[illegible]

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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CRAIG HOSPITAL AND AFFILIATES

**Consolidated Financial Statements
as of September 30, 2012 and 2011 and for the Years then Ended,
Consolidating Information
as of and for the Year Ended September 30, 2012,
and
Independent Auditors' Report**

EKS H
AUDIT TAX CONSULTING

CRAIG HOSPITAL AND AFFILIATES

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Craig Hospital and Affiliates
Englewood, Colorado

We have audited the accompanying consolidated balance sheets of Craig Hospital and Affiliates (the "Hospital") as of September 30, 2012 and 2011, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these consolidated 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 audits to obtain reasonable assurance about whether the consolidated 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 Hospital's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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 Craig Hospital and Affiliates as of September 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.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

EKS&H LLLP
EKS&H LLLP

February 15, 2013
Denver, Colorado

CRAIG HOSPITAL AND AFFILIATES

Consolidated Balance Sheets

	September 30,	
	2012	2011
Assets		
Current assets		
Cash and cash equivalents	\$ 5,538,859	\$ 5,648,760
Short-term investments	29,242,940	14,080,126
Receivables		
Patients, net of allowance for uncollectible accounts of \$283,568 (2012) and \$676,527 (2011)	18,121,478	17,128,588
Grants receivable and other	493,861	392,477
Inventories	458,033	455,432
Prepaid expenses and other assets	1,289,449	935,960
Total current assets	<u>55,144,620</u>	<u>38,641,343</u>
Assets limited as to use		
Board-designated and donor-restricted investments	40,399,722	45,390,036
SERP fund	1,054,800	957,793
Total assets limited as to use	<u>41,454,522</u>	<u>46,347,829</u>
Land, buildings, and equipment, net	48,345,913	47,396,870
Contributions receivable, net	4,727,578	2,287,254
Deferred debt issuance costs, net	79,132	89,338
Total assets	<u>\$ 149,751,765</u>	<u>\$ 134,762,634</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 5,321,316	\$ 4,301,456
Pay roll and pay roll related expenses	4,665,863	3,850,107
Compensated absences	1,724,397	3,454,399
Current portion of long-term debt	875,000	850,000
Total current liabilities	<u>12,586,576</u>	<u>12,455,962</u>
Long-term debt, net of current portion	7,980,000	8,855,000
SERP obligation	1,300,051	1,163,437
Post-retirement benefit obligation	439,420	633,981
Total liabilities	<u>22,306,047</u>	<u>23,108,380</u>
Commitments and contingencies		
Net assets		
Unrestricted	116,076,221	104,354,444
Temporarily restricted	10,306,694	6,198,287
Permanently restricted	1,062,803	1,101,523
Total net assets	<u>127,445,718</u>	<u>111,654,254</u>
Total liabilities and net assets	<u>\$ 149,751,765</u>	<u>\$ 134,762,634</u>

See notes to consolidated financial statements

CRAIG HOSPITAL AND AFFILIATES

Consolidated Statements of Operations

	For the Years Ended September 30,	
	2012	2011
Unrestricted revenues and other support		
Net patient service revenues	\$ 76,954,411	\$ 68,967,544
Other operating revenues	2,281,821	1,783,249
Net assets released from restrictions		
Research	2,671,017	2,846,486
Other programs and costs	1,571,267	1,265,820
Total unrestricted revenues and other support	<u>83,478,516</u>	<u>74,863,099</u>
Operating expenses		
Wages, salaries, and benefits	42,951,644	41,264,316
Purchased services	13,096,648	12,290,408
Supplies and other	9,067,334	8,047,042
Research	2,671,017	2,846,486
Depreciation and amortization	4,418,820	4,059,450
Interest	18,023	23,729
Insurance, legal, and other professional services	1,379,913	882,758
Provision for bad debts	148,716	40,777
Other programs and costs	2,311,281	2,425,891
Total operating expenses	<u>76,063,396</u>	<u>71,880,857</u>
Operating income	<u>7,415,120</u>	<u>2,982,242</u>
Other income		
Investment and other	1,122,067	1,363,068
Contributions	1,704,351	1,971,517
Total other income	<u>2,826,418</u>	<u>3,334,585</u>
Excess of revenues over expenses	10,241,538	6,316,827
Unrealized gains (losses) on investments	<u>1,480,239</u>	<u>(1,274,141)</u>
Change in unrestricted net assets from continuing operations	11,721,777	5,042,686
Loss from discontinued operations	<u>-</u>	<u>(1,257)</u>
Change in unrestricted net assets	<u>\$ 11,721,777</u>	<u>\$ 5,041,429</u>

See notes to consolidated financial statements

CRAIG HOSPITAL AND AFFILIATES

Consolidated Statements of Changes in Net Assets

	For the Years Ended September 30,	
	<u>2012</u>	<u>2011</u>
Unrestricted net assets		
Excess of revenues over expenses	\$ 10,241,538	\$ 6,316,827
Unrealized gains (losses) on investments	<u>1,480,239</u>	<u>(1,274,141)</u>
Change in unrestricted net assets from continuing operations	11,721,777	5,042,686
Loss from discontinued operations	<u>-</u>	<u>(1,257)</u>
Change in unrestricted net assets	<u>11,721,777</u>	<u>5,041,429</u>
Temporarily restricted net assets		
Research grants	2,671,017	2,846,486
Contributions	5,380,474	6,013,159
Investment income (loss)	249,200	(50,886)
Net assets released from restrictions		
Research	(2,671,017)	(2,846,486)
Other programs and costs	(1,571,267)	(1,265,820)
Net assets transferred to temporarily restricted net assets	<u>50,000</u>	<u>-</u>
Change in temporarily restricted net assets	<u>4,108,407</u>	<u>4,696,453</u>
Permanently restricted net assets		
Contributions	11,280	12,985
Net assets transferred from permanently restricted net assets	<u>(50,000)</u>	<u>-</u>
Change in permanently restricted net assets	<u>(38,720)</u>	<u>12,985</u>
Change in net assets	15,791,464	9,750,867
Net assets, beginning of year	<u>111,654,254</u>	<u>101,903,387</u>
Net assets, end of year	<u>\$ 127,445,718</u>	<u>\$ 111,654,254</u>

See notes to consolidated financial statements

CRAIG HOSPITAL AND AFFILIATES

Consolidated Statements of Cash Flows

	For the Years Ended September 30,	
	2012	2011
Cash flows from operating activities		
Change in net assets	\$ 15,791,464	\$ 9,750,867
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Net unrealized (gains) losses on investments	(1,480,239)	1,274,141
Depreciation and amortization	4,418,820	4,059,450
Provision for bad debts	2,502	40,777
Loss from disposal of equipment and other	425,211	164,519
Change in assets and liabilities of discontinued operations	-	(2,993)
Receipts for permanently restricted endowment	(11,280)	(12,985)
Changes in operating assets and liabilities		
Patients' receivables	(995,392)	973,525
Contributions receivable	(2,440,324)	(2,287,254)
Grants receivable and other	(101,384)	506,431
Inventories	(2,601)	(9,252)
Prepaid expenses and other assets	(353,489)	(366,596)
Accounts payable and accrued expenses	1,019,860	834,516
Payroll and payroll related expenses, compensated absences, post-retirement benefit obligation, and SERP obligation	(972,193)	(500,036)
	<u>(490,509)</u>	<u>4,674,243</u>
Net cash provided by operating activities	<u>15,300,955</u>	<u>14,425,110</u>
Cash flows from investing activities		
Purchases of marketable securities	(43,303,222)	(36,738,502)
Sales of marketable securities	34,513,954	30,818,585
Purchases of land, buildings, and equipment	(5,782,868)	(4,188,291)
Net cash used in investing activities	<u>(14,572,136)</u>	<u>(10,108,208)</u>
Cash flows from financing activities		
Principal payments on long-term debt	(850,000)	(820,000)
Contributions for permanently restricted endowment	11,280	12,985
Net cash used in financing activities	<u>(838,720)</u>	<u>(807,015)</u>
Net (decrease) increase in cash and cash equivalents	(109,901)	3,509,887
Cash and cash equivalents at beginning of year	<u>5,648,760</u>	<u>2,138,873</u>
Cash and cash equivalents at end of year	<u>\$ 5,538,859</u>	<u>\$ 5,648,760</u>

(Continued on the following page)

See notes to consolidated financial statements

CRAIG HOSPITAL AND AFFILIATES

Consolidated Statements of Cash Flows

(Continued from the previous page)

Supplemental disclosure of cash flow information

Cash paid for interest was \$13,982 and \$21,951 during the years ended September 30, 2012 and 2011, respectively

Non-cash activity

During 2012 and 2011, the Hospital adjusted its SERP fund to fair market value by recording \$121,670 and \$(51,525), respectively, of investment (losses) earnings on the asset, as well as the related liability. The fair value is determined using market quotes as of the dates reported. Ending SERP fund balances also reflect total distributions made during the year.

See notes to consolidated financial statements

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies

Organization

Craig Hospital, a not-for-profit corporation located in Denver, Colorado, provides a wide range of treatment and rehabilitative services for spinal, brain, and other nervous system related injuries to patients from Colorado and other states

Craig Hospital Foundation (the "Foundation"), a not-for-profit corporation located in Denver, Colorado, was formed to promote and improve public health and welfare and the general well-being of mankind through the development and provision of health care services. The Foundation supports Craig Hospital's charitable and educational purposes and contributes its funds for these programs.

Rehabilitation Documentation Services, LLC ("RDS"), is a for-profit wholly owned limited liability company.

Basis of Presentation

The consolidated financial statements, which include the accounts of Craig Hospital and its wholly owned subsidiary, RDS, and the affiliated Foundation (collectively, the "Hospital") are prepared on the accrual basis of accounting. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and 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 amounts on deposit in demand accounts and investments with an original maturity of three months or less whose use is not limited, excluding balances held in the investment portfolio. The Hospital continually monitors its positions with, and the credit quality of, the financial institutions with which it invests. Throughout the year, the Hospital held balances of cash and cash equivalents in excess of the federally insured limit.

Investments and Investment Return

Investment in equity securities and all investments in debt securities are reported at their fair values, with unrealized gains and losses included in the consolidated statements of operations and changes in net assets. Investment income is reported as other income. Unrealized gains and losses on investments are excluded from the excess of revenues over expenses. Investment income and gains restricted by a donor are reported as increases in temporarily restricted net assets.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Assets Limited as to Use

Assets limited as to use consist of designated assets set aside by the Board of Directors for capital improvements, endowment funds, and a supplemental executive retirement plan ("SERP") The Board of Directors retains control over Board-designated assets and may, at its discretion, subsequently use these assets for other purposes

Inventories

Inventories, consisting of medical and other operating supplies, are stated at the lower of cost or market on a first-in, first-out basis

Land, Buildings, and Equipment

Land, buildings, and equipment are recorded at cost Depreciation and amortization are recorded using the straight-line method over the shorter of the estimated useful life or lease term of the related assets, which ranges from 3 years to 40 years

The Hospital's capitalization policy requires individual assets to be capitalized if the original cost or fair value at date of donation exceeds \$1,000 and the asset life is greater than one year

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value Unconditional promises to give that are expected to be collected in future years, if any, are recorded at the present value of estimated future cash flows The discounts on these pledges are computed using a risk-free interest rate applicable to the year in which the promise is expected to be received, net of an allowance for uncollectible accounts, if necessary The allowance method is used to determine uncollectible contributions receivable The discount on contributions receivable for the years ended September 30, 2012 and 2011 was \$26,952 and \$35,704, respectively The allowance is based on management's estimate and analysis of specific pledges As of September 30, 2012, the allowance for uncollectible contributions receivable was \$146,214 Management determined that an allowance for uncollectible contributions receivable was not necessary as of September 30, 2011

Long-Lived Assets

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell No impairment losses were recorded as of September 30, 2012 and 2011

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Deferred Debt Issuance Costs

Deferred debt issuance costs include bond fees and are amortized using the effective interest method over the original term of the related debt of 17 years

Excess of Revenues Over Expenses

The accompanying consolidated statements of operations include excess of revenues over expenses. Changes in unrestricted net assets, which are excluded from excess of revenues over expenses consistent with industry practice, include unrealized gains and losses on investments other than trading securities, permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions, which, by donor restriction, were to be used for the purpose of acquiring such assets). Income from discontinued operations is also excluded from excess of revenues over expenses.

Net Patient Service Revenues

Net patient service revenues are reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated adjustments under agreements with third-party payors. Adjustments are recorded on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Charity Care and Contractual Allowances

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. Charity care provided during the years ended September 30, 2012 and 2011, based on cost of services provided, totaled \$1,340,536 and \$975,427, respectively. In addition, the Hospital also provides medical services to patients covered under state Medicaid programs at less than established rates, which are recorded as contractual adjustments. These contractual adjustments totaled \$9,632,676 and \$7,616,046 for the years ended September 30, 2012 and 2011, respectively.

Contributions

Contributions and bequests are available for unrestricted use unless specifically restricted by the donor. Contributions are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the accompanying consolidated statements of operations as net assets released from restrictions. In-kind donations are recorded at fair value at the date of gift. In the absence of donor specification that income and gains on donated funds are restricted, such income and gains are reported as unrestricted income.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use has been limited by the donor to a specific time period or purpose. Temporarily restricted net assets as of September 30, 2012 and 2011 are available for support of various patient programs, as well as capital improvements. Permanently restricted net assets are to be maintained in perpetuity, the income from which is available for program support. Permanently restricted net assets consist of endowment funds, the income from which is available to support various patient programs.

Endowment Fund

During 2004, the Foundation's Board of Directors set aside \$3,000,000 in an endowment fund for the purpose of protecting the future excellence of Craig Hospital. During 2008, an additional \$1,000,000 was set aside from the proceeds from the sale of a subsidiary of Craig Hospital. During 2012, the Board of Directors approved the release of \$4,925,000 of Board-designated endowment funds for the purpose of paying for future expansion at the Hospital. The remaining Board-designated endowment funds are valued at approximately \$271,000 as of September 30, 2012 and are included in unrestricted net assets.

Income Tax Status

The Hospital and the Foundation qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code. RDS is a limited liability company and is not a taxpaying entity for federal income tax purposes; therefore, no income tax expense has been recorded in the consolidated financial statements. Members are taxed individually on their shares of RDS' earnings.

The Hospital applies a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in a tax return. After evaluating the tax positions taken, none are considered to be uncertain; therefore, no amounts have been recognized as of September 30, 2012 and 2011.

If incurred, interest and penalties associated with tax positions are recorded in the period assessed in other programs and costs. No interest or penalties have been assessed as of September 30, 2012 and 2011.

Tax years that remain subject to examination include 2009 through the current period for the federal return and 2008 through the current period for the Colorado return.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Recently Adopted Accounting Pronouncements

Accounting Standards Update ("ASU") No. 2010-23 — *Health Care Entities (Topic 954): Measuring Charity Care for Disclosure* — a consensus of the FASB Emerging Issues Task Force. ASU No. 2010-23 addresses the diversity in the accounting for charity care disclosures. The amendments to Topic 954 require that the measurement of charity care for disclosure purposes be based on the direct and indirect costs of providing the charity care. ASU No. 2010-23 was effective for the Hospital on October 1, 2011.

Recently Issued Accounting Pronouncements

In July 2011, the Financial Accounting Standards Board issued Accounting Standards Update No. 2011-07, an amendment to Accounting Standards Codification Topic 954, *Health Care Entities*, which requires health care organizations that do not assess the collectibility of a receivable before recognizing revenue to present their provision for bad debt related to patient service revenue as a deduction from revenue, net of contractual allowances and discounts, on their statement of income. This guidance is effective for the Hospital in fiscal year 2013 and will require the Hospital to change the presentation of their consolidated statements of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from net patient service revenue.

Reclassifications

Certain amounts in the 2011 consolidated financial statements have been reclassified to conform to the 2012 presentation.

Note 2 - Concentration of Credit Risk

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

	<u>September 30,</u>	
	<u>2012</u>	<u>2011</u>
Other third-party payors	61 %	59 %
Workers' compensation	19	16
Medicare	12	17
Medicaid	<u>8</u>	<u>8</u>
Total	<u>100 %</u>	<u>100 %</u>

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 3 - Net Patient Service Revenues

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

Medicare and Medicaid

Services rendered to Medicare and Medicaid program beneficiaries are paid based on diagnosis related groups ("DRGs") and are subject to audit and retroactive adjustment. Laws and regulations governing these programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change in the near term. Management believes that the Hospital is in substantial compliance with current laws and regulations related to the Medicare and Medicaid programs.

Other Third-Party Payors

The Hospital has negotiated payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Hospital under these agreements includes per diem rates and discounts from established charges.

Note 4 - Investments

Short-Term Investments

Short-term investments held are as follows:

	September 30,	
	2012	2011
Marketable securities		
Mutual funds	\$ 13,067,251	\$ -
Obligations of the U S government and government agencies	9,999,573	9,999,736
Certificates of deposit	3,498,899	2,996,532
Bond funds	1,943,500	-
Cash equivalents	730,214	1,078,804
Accrued interest	3,503	5,054
Total	<u>\$ 29,242,940</u>	<u>\$ 14,080,126</u>

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 4 - Investments (continued)

Assets Limited As to Use

Assets limited as to use held are as follows

	<u>September 30,</u>	
	<u>2012</u>	<u>2011</u>
Board-designated and donor-restricted investments		
Obligations of the U S government and government agencies	\$ 12,902,759	\$ 12,157,915
Corporate debt	15,736,882	18,457,961
International bonds	-	141,801
Equity securities	7,854,348	8,599,010
Mortgage-backed securities	-	1,405,505
Cash equivalents	3,717,865	4,406,174
Accrued interest	<u>187,868</u>	<u>221,670</u>
	40,399,722	45,390,036
SERP fund		
Mutual funds	<u>1,054,800</u>	<u>957,793</u>
Total	<u><u>\$ 41,454,522</u></u>	<u><u>\$ 46,347,829</u></u>

The following schedule summarizes the investment return included in the accompanying consolidated statements of operations

	<u>For the Years Ended</u> <u>September 30,</u>	
	<u>2012</u>	<u>2011</u>
Change in unrestricted and temporarily restricted unrealized (losses) gains on investments		
Marketable securities	\$ 2,882	\$ (7,661)
Board-designated and donor-restricted investments	<u>1,477,357</u>	<u>(1,266,480)</u>
	<u><u>\$ 1,480,239</u></u>	<u><u>\$ (1,274,141)</u></u>
Unrestricted and temporarily restricted investment income		
Dividends and interest	\$ 975,893	\$ 923,244
Realized gains on investments	845,337	596,870
Investment management fees	<u>(34,958)</u>	<u>(43,703)</u>
	<u><u>\$ 1,786,272</u></u>	<u><u>\$ 1,476,411</u></u>

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 5 - Land, Buildings, and Equipment

Land, buildings, and equipment consist of the following

	September 30,	
	2012	2011
Land	\$ 5,860,189	\$ 5,860,189
Land improvements	656,573	648,053
Buildings and improvements	33,677,208	33,624,822
Equipment	44,297,100	43,303,647
Construction in progress	<u>2,947,659</u>	<u>1,648,838</u>
	87,438,729	85,085,549
Less accumulated depreciation and amortization	<u>(39,092,816)</u>	<u>(37,688,679)</u>
Total land, buildings, and equipment	<u>\$ 48,345,913</u>	<u>\$ 47,396,870</u>

In March 2012, the Hospital begin planning for a \$90 million construction project to improve, update, and expand the Hospital's existing facilities. Actual construction is expected to begin in March 2013 with a projected completion date of August 2016.

Note 6 - Fair Value Measurements

The Hospital values its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following fair value hierarchy prioritizes and ranks the level of market price observability used in measuring financial assets at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Financial instruments measured on a recurring basis and reported at fair value are classified and disclosed in one of the following categories:

- Level 1 Quoted prices in active markets for identical assets or liabilities that are accessible at the reporting date. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2 Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation techniques.
- Level 3 Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 6 - Fair Value Measurements (continued)

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Hospital utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. These classifications (Levels 1, 2, and 3) are intended to reflect the observability of inputs used in the valuation of investments and are not necessarily an indication of risk or liquidity.

Following is a description of the valuation methodologies used for assets measured at fair value:

Government obligations, equity securities, bond funds, and mutual funds: Valued at the closing price reported on the active market on which the securities are traded.

Certificates of deposit, corporate debt, international bonds, and mortgage-backed securities: Valued based on prices currently available on comparable securities of the issuer or other issuers with similar credit ratings.

Other financial instruments not measured at fair value on a recurring basis include cash and cash equivalents, receivables, accounts payable, accrued expenses, and long-term debt. With the exception of long-term debt, the financial statement carrying amounts approximate their fair values due to their short-term nature. The carrying amount of long-term debt approximates fair value due to its floating rate structure.

There were no changes to the Hospital's valuation techniques during the year.

Financial assets and liabilities carried at fair value at September 30, 2012 are classified in the following table in one of the three categories described above:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Obligations of the U S government and government agencies	\$ 22,902,332	\$ -	\$ -	\$ 22,902,332
Equity securities	7,854,348	-	-	7,854,348
Bond funds	1,943,500	-	-	1,943,500
Mutual funds	14,122,051	-	-	14,122,051
Corporate debt	-	15,736,882	-	15,736,882
Certificates of deposit	-	3,498,899	-	3,498,899
Total	<u>\$ 46,822,231</u>	<u>\$ 19,235,781</u>	<u>\$ -</u>	<u>\$ 66,058,012</u>

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 6 - Fair Value Measurements (continued)

Financial assets and liabilities carried at fair value at September 30, 2011 are classified in the following table in one of the three categories described above

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Obligations of the U S government and government agencies	\$ 22,157,651	\$ -	\$ -	\$ 22,157,651
Equity securities	8,599,010	-	-	8,599,010
Mutual funds	957,793	-	-	957,793
Corporate debt	-	18,457,961	-	18,457,961
Certificates of deposit	-	2,996,532	-	2,996,532
International bonds	-	141,801	-	141,801
Mortgage-backed securities	-	1,405,505	-	1,405,505
Total	<u>\$ 31,714,454</u>	<u>\$ 23,001,799</u>	<u>\$ -</u>	<u>\$ 54,716,253</u>

Following is a reconciliation of the fair value amounts above to the amounts presented in the consolidated balance sheets

	<u>September 30,</u>	
	<u>2012</u>	<u>2011</u>
Total financial assets from fair value tables	\$ 66,058,012	\$ 54,716,253
Cash equivalents	4,448,079	5,484,978
Accrued interest	191,371	226,724
	<u>\$ 70,697,462</u>	<u>\$ 60,427,955</u>
Short-term investments	\$ 29,242,940	\$ 14,080,126
Board-designated and donor-restricted investments	40,399,722	45,390,036
SERP fund	1,054,800	957,793
	<u>\$ 70,697,462</u>	<u>\$ 60,427,955</u>

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 7 - Contributions Receivable

Contributions receivable consist of the following

	For the Years Ended September 30,	
	2012	2011
Due in less than one year	\$ 2,445,799	\$ 718,372
Due in one to five years	2,454,945	1,604,586
Unamortized discount on contributions	<u>(26,952)</u>	<u>(35,704)</u>
	4,873,792	2,287,254
Allowance for uncollectible accounts	<u>(146,214)</u>	<u>-</u>
Total	<u><u>\$ 4,727,578</u></u>	<u><u>\$ 2,287,254</u></u>

Contributions that are due in less than one year, but are related to long-term purposes are classified as non-current assets on the accompanying consolidated balance sheets due to the long-term nature of the underlying purpose. The effective interest rate used to calculate the discount on contributions receivable ranged from 0.26% to 0.70%.

Note 8 - Long-Term Debt

Long-term debt consists of the following

	September 30,	
	2012	2011
Hospital - Colorado Health Facilities Authority Variable Rate Demand Revenue Refunding Bonds Series 2003	\$ 8,855,000	\$ 9,705,000
Less current maturities	<u>(875,000)</u>	<u>(850,000)</u>
Total	<u><u>\$ 7,980,000</u></u>	<u><u>\$ 8,855,000</u></u>

In June 2003, the Hospital issued Colorado Health Facilities Authority Variable Rate Demand Revenue Refunding Bonds Series 2003 ("2003 Bonds") in the amount of \$15,000,000. The 2003 Bonds were issued to provide for the advance refunding of the Colorado Health Facilities Authority Hospital Revenue Bonds Series 1993 ("1993 Bonds") and the Colorado Health Facilities Authority Variable Rate Demand Revenue Bonds Series 2001 ("2001 Bonds").

The 2003 Bonds mature annually through 2020. The 2003 Bonds bear interest at one or more variable rates (0.19% at September 30, 2012) unless converted to a fixed interest rate. The 2003 Bonds currently bear interest at a weekly interest rate that is payable on the first day of March, June, September, and December. The 2003 Bonds are redeemable at any time on or after December 1, 2004 as a whole or in part plus accrued interest to the redemption date. The 2003 Bonds are secured by a letter of credit that expires in December 2012.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 8 - Long-Term Debt (continued)

The terms of the 2003 Bonds and letter of credit agreement contain restrictions regarding the issuance of additional debt and the encumbrance or disposition of certain assets and require the Hospital to maintain certain minimum levels of debt service and other financial ratios. Additionally, the Indenture of Trust for the 2003 Bonds requires that certain funds be established and controlled by the trustee to satisfy debt service requirements for as long as any of the bonds remain outstanding. The Hospital is required to deposit monies directly with or to the account of the trustee for payments to the bondholders. As of September 30, 2012 and 2011, there were no payments due to the trustee or on deposit with the trustee.

The Hospital's annual debt service requirements as of September 30, 2012 are as follows:

Year Ending September 30,

2013	\$ 875,000
2014	900,000
2015	925,000
2016	955,000
2017	980,000
Thereafter	<u>4,220,000</u>
Total	<u>\$ 8,855,000</u>

Note 9 - Benefit Plans

The Hospital has a defined contribution retirement plan (the "Plan"), which is administered by a designated insurance company and includes a group of investment alternatives from which employees may choose. Contributions are made on behalf of qualified employees eligible for benefits at varying levels based on years of service to the Hospital. Contributions may also include a matching amount up to 4% of qualified voluntary employee contributions. Employer basic and matching contributions vest at 20% per year for prior service commencing with the employee's completion of two years of employment. The Hospital's contributions to the Plan were approximately \$2,200,000 and \$2,000,000 for the years ended September 30, 2012 and 2011, respectively.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 9 - Benefit Plans (continued)

In addition, the Hospital established a Section 457(f) supplemental executive retirement plan ("SERP") for the exclusive benefit of certain executives. Certain forfeiture provisions apply to the SERP as defined in the SERP agreements in which funds would revert back to the Hospital. The balance of the SERP fund as of September 30, 2012 and 2011 is \$1,054,800 and \$957,793, respectively. The balance of the related liability is \$1,300,051 and \$1,163,437 for the years ended September 30, 2012 and 2011, respectively. The difference of \$245,251 and \$205,644 as of September 30, 2012 and 2011, respectively, is the contributions approved by the Board of Directors to be paid to the SERP in the year following each of the respective years noted above. Total contributions to the SERP fund were approximately \$240,000 and \$220,000 for the years ended September 30, 2012 and 2011, respectively. In March 2011, two new accounts were created at Great West Life and Annuity Insurance Company. \$130,000 was placed in a 457(f) Mutual Choice Plan, and \$110,000 was placed in a Company Owned Life Insurance ("COLI"). The Hospital funded these two accounts in the same manner in 2012. These accounts were created to replace the original 457(f) that was established prior to 2011. The original 457(f) still maintains a balance but no longer receives additional contributions.

The Hospital has a post-employment medical and prescription drug benefit plan ("PERP") available to eligible retired employees who meet defined service requirements. The PERP is being phased out for current and future participants through 2015, and all benefits are expected to be paid within the next three years. The PERP is unfunded. The accumulated post-retirement benefit obligation related to the PERP totaled \$439,420 and \$633,981 as of September 30, 2012 and 2011, respectively. The benefit obligation has been calculated using a discount rate of 2.5%, with assumed 10% annual increases in the health care cost trend rates. Benefits paid to PERP beneficiaries totaled approximately \$93,000 and \$168,000 during the years ended September 30, 2012 and 2011, respectively.

Note 10 - Grants and Contracts

The Hospital has entered into agreements with various agencies of the U.S. government and other organizations to perform research and related projects. The grants and contracts are subject to various expense restrictions and are subject to audit to determine compliance with the agreements. Indirect costs are recovered based upon provisional rates. Adjustments to reflect actual indirect costs are made through the adjustment of future indirect cost rates. Management believes that any costs questioned in audits and future indirect cost adjustments will not be material in relation to the Hospital's accompanying consolidated financial statements. Accordingly, no allowances have been established.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 11 - Commitments and Contingencies

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. Recently, federal government activity has increased with respect to investigations and allegations concerning possible violations by health care providers of regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenues from patient services. Management believes that the Hospital is in substantial compliance with current laws and regulations.

The Hospital maintains professional liability insurance through a "claims-made" commercial insurance policy. The policy provides coverage up to specified policy limits for claims filed within the period of the policy term. The Hospital, based upon information provided by its insurance carrier, has determined that the estimated liability for potential losses incurred but not reported at September 30, 2012 is not material to the accompanying consolidated financial statements.

The Hospital has entered into contracts for the design and construction of an improvement project it is currently undertaking. As of September 30, 2012, the Hospital has entered into contracts totaling approximately \$6,952,000 for its improvement and expansion project over its existing facilities. The total budget of this project is \$90 million and the Hospital has incurred approximately \$1,872,000 in related costs through September 30, 2012.

Self-Funded Benefit Plan

The Hospital provides self-funded contributory medical and dental coverage to eligible employees. The coverage was previously provided through the Craig Hospital Health Benefit Trust (the "Trust"), a voluntary employee beneficiary association. The Trust was dissolved effective December 31, 2009, and all coverage was assumed by the Hospital. The Hospital, as well as the participating employees, make contributions to fund the benefits provided under this plan. As of September 30, 2012 and 2011, the estimated liability for claims incurred but not reported was \$800,000 and \$1,000,000, respectively, and is included in accounts payable and accrued expenses in the accompanying consolidated financial statements. The insurance premiums collected by the Hospital are scheduled for increases, as necessary, in order to fund reserves to maximum liability and provide funding for all estimated incurred but not reported claims.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 12 - Functional Expenses

The Hospital provides a wide range of treatment and rehabilitation services for spinal, brain, and other nerve-related injuries to patients from Colorado and other states, as well as research and educational activities for the community. Expenses related to providing these services are as follows:

	For the Years Ended September 30,	
	2012	2011
Health care services	\$ 49,795,009	\$ 47,708,840
General and administration	18,116,239	16,478,276
Depreciation, amortization, interest, and provision for bad debts	4,442,344	4,123,956
Foundation expenditures	<u>3,709,804</u>	<u>3,569,785</u>
Total	<u>\$ 76,063,396</u>	<u>\$ 71,880,857</u>

Note 13 - Investments in Endowments

The Hospital's endowments consist of various funds established for a variety of purposes, including supporting graduates, continuing the peer-mentor program, ensuring the future excellence of Craig Hospital, and general purposes. The endowments include both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Hospital classifies the portion of a donor-restricted endowment that is perpetual in nature as permanently restricted net assets. The remaining portion of accumulations to donor-restricted endowment funds that is not classified in permanently restricted net assets is classified as dictated by the donor, or in absence of donor stipulation, as temporarily restricted net assets until those amounts are appropriated for expenditure by the Hospital in a manner consistent with the standard of prudence prescribed by the Colorado Uniform Prudent Management of Institutional Funds Act.

The Hospital has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of endowment assets.

The Finance Committee of the Foundation is responsible for selecting the asset mix and managers for the endowments of the Foundation. The target asset allocation is 65% in equities with the remaining balance in fixed income instruments.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 13 - Investments in Endowments (continued)

The Board of Directors approves distributions from the funds designated by the Board of Directors to function as endowments through the annual budget process. Expenditures from the donor-restricted endowment funds are controlled by the Hospital's Board of Directors consistent with the donors' intents.

During 2012, the donor of a \$50,000 permanently restricted endowment modified the restriction to a temporarily restricted purpose. Accordingly, the \$50,000 contribution was released from permanently restricted endowments and transferred into temporarily restricted net assets. Also during 2012, the Board of Directors approved the release of \$4,925,000 of Board-designated endowment funds. These funds were transferred for the purpose of paying for future expansion at the Hospital.

Endowment net asset composition by type of fund as of September 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 277,160	\$ 1,062,803	\$ 1,339,963
Board-designated endowment funds	<u>271,021</u>	<u>-</u>	<u>-</u>	<u>271,021</u>
Total funds	<u>\$ 271,021</u>	<u>\$ 277,160</u>	<u>\$ 1,062,803</u>	<u>\$ 1,610,984</u>

Endowment net asset composition by type of fund as of September 30, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 35,348	\$ 1,101,523	\$ 1,136,871
Board-designated endowment funds	<u>4,523,192</u>	<u>-</u>	<u>-</u>	<u>4,523,192</u>
Total funds	<u>\$ 4,523,192</u>	<u>\$ 35,348</u>	<u>\$ 1,101,523</u>	<u>\$ 5,660,063</u>

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 13 - Investments in Endowments (continued)

Changes in endowment net assets for the fiscal year ended September 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment assets, beginning of year	\$ 4,523,192	\$ 35,348	\$ 1,101,523	\$ 5,660,063
Investment income and gains	670,169	249,200	-	919,369
Contributions	2,660	-	11,280	13,940
Distributions	-	(7,388)	-	(7,388)
Transfers	<u>(4,925,000)</u>	<u>-</u>	<u>(50,000)</u>	<u>(4,975,000)</u>
Endowment assets, end of year	<u>\$ 271,021</u>	<u>\$ 277,160</u>	<u>\$ 1,062,803</u>	<u>\$ 1,610,984</u>

Changes in endowment net assets for the fiscal year ended September 30, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment assets, beginning of year	\$ 4,744,232	\$ 88,615	\$ 1,088,538	\$ 5,921,385
Investment income and gains	(223,700)	(50,886)	-	(274,586)
Contributions	2,660	-	12,985	15,645
Distributions	<u>-</u>	<u>(2,381)</u>	<u>-</u>	<u>(2,381)</u>
Endowment assets, end of year	<u>\$ 4,523,192</u>	<u>\$ 35,348</u>	<u>\$ 1,101,523</u>	<u>\$ 5,660,063</u>

Note 14 - Subsequent Events

The Hospital has evaluated all subsequent events through the auditors' report date, which is the date the consolidated financial statements were available for issuance

In December 2012, the Hospital issued Colorado Health Facilities Authority Hospital Revenue Bonds (Craig Hospital Project) Series 2012 (the "Series 2012 Bonds") in the amount of \$37,595,000. The purpose of the bond issuance is to fund an improvement project for the Hospital as well as to refund the outstanding balance of the 2003 Bonds (Note 8). The Series 2012 Bonds mature annually at escalating amounts through 2042. Interest rates are defined by the bond agreement and payable on the first day of June and December of each year, commencing June 1, 2013. The Series 2012 Bonds are redeemable at any time on or after December 1, 2022, in whole or in part, plus accrued interest to the redemption date.

CONSOLIDATING INFORMATION

CRAIG HOSPITAL AND AFFILIATES

Consolidating Balance Sheet September 30, 2012

	<u>Hospital</u>	<u>Foundation</u>	<u>RDS</u>	<u>Eliminations</u>	<u>Consolidated</u>
Assets					
Current assets					
Cash and cash equivalents	\$ 3,557,695	\$ 1,981,164	\$ -	\$ -	\$ 5,538,859
Short-term investments	20,073,337	9,169,603	-	-	29,242,940
Investment in Foundation	17,292,402	-	-	(17,292,402)	-
Investment in RDS	117,160	-	-	(117,160)	-
Receivables					
Patients, net	18,121,478	-	-	-	18,121,478
Grants receivable and other	493,861	-	-	-	493,861
Affiliates	158,260	-	137,993	(296,253)	-
Inventories	458,033	-	-	-	458,033
Prepaid expenses and other assets	1,274,449	15,000	-	-	1,289,449
Total current assets	<u>61,546,675</u>	<u>11,165,767</u>	<u>137,993</u>	<u>(17,705,815)</u>	<u>55,144,620</u>
Assets limited as to use					
Board-designated investments	38,788,738	1,610,984	-	-	40,399,722
SERP fund	1,054,800	-	-	-	1,054,800
Total assets limited as to use	<u>39,843,538</u>	<u>1,610,984</u>	<u>-</u>	<u>-</u>	<u>41,454,522</u>
Land, buildings, and equipment, net	48,345,913	-	-	-	48,345,913
Contributions receivable, net	-	4,727,578	-	-	4,727,578
Deferred debt issuance costs, net	79,132	-	-	-	79,132
Total assets	<u>\$ 149,815,258</u>	<u>\$ 17,504,329</u>	<u>\$ 137,993</u>	<u>\$ (17,705,815)</u>	<u>\$ 149,751,765</u>
Liabilities and Net Assets					
Current liabilities					
Accounts payable and accrued expenses	\$ 5,269,516	\$ 30,967	\$ 20,833	\$ -	\$ 5,321,316
Payroll and payroll related expenses	4,643,163	22,700	-	-	4,665,863
Compensated absences	1,724,397	-	-	-	1,724,397
Current portion of long-term debt	875,000	-	-	-	875,000
Due to affiliates	137,993	158,260	-	(296,253)	-
Total current liabilities	<u>12,650,069</u>	<u>211,927</u>	<u>20,833</u>	<u>(296,253)</u>	<u>12,586,576</u>
Long-term debt, net of current portion	7,980,000	-	-	-	7,980,000
SERP obligation	1,300,051	-	-	-	1,300,051
Post-retirement benefit obligation	439,420	-	-	-	439,420
Total liabilities	<u>22,369,540</u>	<u>211,927</u>	<u>20,833</u>	<u>(296,253)</u>	<u>22,306,047</u>
Commitments and contingencies					
Net assets					
Unrestricted	116,076,221	5,922,905	117,160	(6,040,065)	116,076,221
Temporarily restricted	10,306,694	10,306,694	-	(10,306,694)	10,306,694
Permanently restricted	1,062,803	1,062,803	-	(1,062,803)	1,062,803
Total net assets	<u>127,445,718</u>	<u>17,292,402</u>	<u>117,160</u>	<u>(17,409,562)</u>	<u>127,445,718</u>
Total liabilities and net assets	<u>\$ 149,815,258</u>	<u>\$ 17,504,329</u>	<u>\$ 137,993</u>	<u>\$ (17,705,815)</u>	<u>\$ 149,751,765</u>

CRAIG HOSPITAL AND AFFILIATES

**Consolidating Statement of Operations - All Funds
For the Year Ended September 30, 2012**

	Hospital				Foundation				
	Unrestricted	Temporarily Restricted	Permanently Restricted	RDS	Unrestricted	Temporarily Restricted	Permanently Restricted	Eliminations	Consolidated
Revenues and other support									
Net patient service revenues	\$ 76,954,411	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,954,411
Other operating revenues and grants	2,321,061	6,779,424	(38,720)	67,807	-	-	-	(4,176,734)	4,952,838
Net assets released from restrictions	2,671,017	(2,671,017)	-	-	1,571,267	(1,571,267)	-	-	-
Net assets transferred from restrictions	-	-	-	-	-	50,000	(50,000)	-	-
Total revenues and other support	<u>81,946,489</u>	<u>4,108,407</u>	<u>(38,720)</u>	<u>67,807</u>	<u>1,571,267</u>	<u>(1,521,267)</u>	<u>(50,000)</u>	<u>(4,176,734)</u>	<u>81,907,249</u>
Operating expenses									
Wages, salaries, and benefits	42,063,473	-	-	62,650	825,521	-	-	-	42,951,644
Purchased services	13,096,648	-	-	-	-	-	-	-	13,096,648
Supplies and other	8,639,114	-	-	1,432	426,788	-	-	-	9,067,334
Research	2,671,017	-	-	-	-	-	-	-	2,671,017
Depreciation and amortization	4,418,820	-	-	-	-	-	-	-	4,418,820
Interest	18,023	-	-	-	-	-	-	-	18,023
Insurance, legal, and other professional services	1,377,487	-	-	2,426	-	-	-	-	1,379,913
Provision for bad debts	2,502	-	-	-	146,214	-	-	-	148,716
Other programs and costs	-	-	-	-	2,495,824	-	-	(184,543)	2,311,281
Total operating expenses	<u>72,287,084</u>	<u>-</u>	<u>-</u>	<u>66,508</u>	<u>3,894,347</u>	<u>-</u>	<u>-</u>	<u>(184,543)</u>	<u>76,063,396</u>
Operating income (loss)	<u>9,659,405</u>	<u>4,108,407</u>	<u>(38,720)</u>	<u>1,299</u>	<u>(2,323,080)</u>	<u>(1,521,267)</u>	<u>(50,000)</u>	<u>(3,992,191)</u>	<u>5,843,853</u>
Other income									
Investment income and other	480,118	-	-	-	641,949	249,200	-	-	1,371,267
Contributions	<u>184,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,704,351</u>	<u>5,380,474</u>	<u>11,280</u>	<u>(184,543)</u>	<u>7,096,105</u>
Total other income	<u>664,661</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,346,300</u>	<u>5,629,674</u>	<u>11,280</u>	<u>(184,543)</u>	<u>8,467,372</u>
Excess (deficiency) of revenues over (under) expenses	10,324,066	4,108,407	(38,720)	1,299	23,220	4,108,407	(38,720)	(4,176,734)	14,311,225
Change in unrealized gains on investments	<u>1,397,711</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,528</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,480,239</u>
Change in net assets	<u>\$ 11,721,777</u>	<u>\$ 4,108,407</u>	<u>\$ (38,720)</u>	<u>\$ 1,299</u>	<u>\$ 105,748</u>	<u>\$ 4,108,407</u>	<u>\$ (38,720)</u>	<u>\$ (4,176,734)</u>	<u>\$ 15,791,464</u>

CRAIG HOSPITAL AND AFFILIATES

**Consolidating Statement of Changes in Net Assets - All Funds
For the Year Ended September 30, 2012**

	Hospital				Foundation				
	Unrestricted	Temporarily Restricted	Permanently Restricted	RDS	Unrestricted	Temporarily Restricted	Permanently Restricted	Eliminations	Consolidated
Net assets									
Operating income (loss)	\$ 10,324,066	\$ 4,108,407	\$ (38,720)	\$ 1,299	\$ 23,220	\$ 4,108,407	\$ (38,720)	\$ (4,176,734)	\$ 14,311,225
Change in unrealized gains on investments	<u>1,397,711</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,528</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,480,239</u>
Change in net assets	11,721,777	4,108,407	(38,720)	1,299	105,748	4,108,407	(38,720)	(4,176,734)	15,791,464
Net assets, beginning of year	<u>104,354,444</u>	<u>6,198,287</u>	<u>1,101,523</u>	<u>115,861</u>	<u>5,817,157</u>	<u>6,198,287</u>	<u>1,101,523</u>	<u>(13,232,828)</u>	<u>111,654,254</u>
Net assets, end of year	<u><u>\$ 116,076,221</u></u>	<u><u>\$ 10,306,694</u></u>	<u><u>\$ 1,062,803</u></u>	<u><u>\$ 117,160</u></u>	<u><u>\$ 5,922,905</u></u>	<u><u>\$ 10,306,694</u></u>	<u><u>\$ 1,062,803</u></u>	<u><u>\$ (17,409,562)</u></u>	<u><u>\$ 127,445,718</u></u>