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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

**2012**Open to Public  
Inspection**A For the 2012 calendar year, or tax year beginning****and ending****B Check if applicable**

- ☐ Address change  
☐ Name change  
☐ Initial return  
☐ Terminated  
☒ Amended return  
☐ Application pending

**C Name of organization****MCCULLOUGH-HYDE MEMORIAL HOSPITAL**

Doing Business As

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

**110 NORTH POPLAR STREET**

Room/suite

City, town, or post office, state, and ZIP code

**OXFORD, OH 45056**
**F Name and address of principal officer: JOHN CLEMENTS**  
**SAME AS C ABOVE**
**D Employer identification number****31-0650283****E Telephone number****(513) 524-5310****G Gross receipts \$****61,831,629.****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.MHMH.ORG****K Form of organization** ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L Year of formation: 1953** **M State of legal domicile: OH****Part I Summary**

Activities & Governance		Revenue		Expenses		Net Assets or Fund Balances	
1	Briefly describe the organization's mission or most significant activities	<b>ACUTE CARE HOSPITAL FACILITY DELIVERING QUALITY SERVICES TO OUR PATIENTS AND THE COMMUNITIES WE</b>					
2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.						
3	Number of voting members of the governing body (Part VI, line 1a)	3	10				
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	10				
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	647				
6	Total number of volunteers (estimate if necessary)	6	311				
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.				
b	Net unrelated business taxable income from Form 990-T, line 34	7b	-57,756.				
8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year				
9	Program service revenue (Part VIII, line 2g)	328,518.	1,369,732.				
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	110,538.	59,762,684.				
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	83,268.	27,436.				
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,030,425.	671,777.				
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	63,344,749.	61,831,629.				
14	Benefits paid to or for members (Part IX, column (A), line 4)	34,322.	18,650.				
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0.	0.				
16a	Professional fundraising fees (Part IX, column (A), line 11e)	28,385,199.	28,007,913.				
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.	0.	0.				
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	33,959,927.	33,654,733.				
18	Total expenses - Add lines 13-17 (must equal Part IX, column (A), line 25)	62,379,448.	61,681,296.				
19	Revenue less expenses - Subtract line 18 from line 12	965,301.	150,333.				
20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year				
21	Total liabilities (Part X, line 26)	45,819,702.	45,799,306.				
22	Net assets or fund balances - Subtract line 21 from line 20	22,027,599.	21,957,803.				
		23,792,103.	23,841,503.				

**Part II Signature Block**

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

Sign Here	Signature of officer	Date			
	<b>JOHN CLEMENTS, VICE PRESIDENT/CFO</b>	<b>10/8/14</b>			
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed	PTIN
	<b>NANCY KIRCHNER</b>	<b>NANCY KIRCHNER</b>	<b>10/01/14</b>	<input type="checkbox"/>	<b>P00386751</b>
	Firm's name ▶ <b>BLUE &amp; CO., LLC</b>	Firm's EIN ▶ <b>35-1178661</b>			
	Firm's address ▶ <b>8800 LYRA DRIVE, SUITE 450 COLUMBUS, OH 43240</b>	Phone no. <b>614-885-2583</b>			

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

☒ Yes ☐ No

232001 12-10-12

LHA For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2012)**SEE SCHEDULE O FOR ORGANIZATION MISSION STATEMENT CONTINUATION**

SCANNED NOV 05 2014

616 HX

**Part III** Statement of Program Service Accomplishments

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

☒ X**1** Briefly describe the organization's mission:

**ACUTE CARE HOSPITAL FACILITY DELIVERING QUALITY SERVICES TO OUR PATIENTS AND THE COMMUNITIES WE SERVE.**

**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 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 \$ 4,540,732. including grants of \$ \_\_\_\_\_) (Revenue \$ 15,290,244.)  
**PHARMACY-CONSISTING OF CARE PROVIDED TO INPATIENTS (24%) AND OUTPATIENTS (76%). OUTPATIENT CARE INCLUDES A MAJOR PROGRAM FOR ONCOLOGY TREATMENT.**

**4b** (Code \_\_\_\_\_) (Expenses \$ 4,164,020. including grants of \$ \_\_\_\_\_) (Revenue \$ 25,767,924.)  
**IMAGING-COMPRISED OF A FULL RANGE OF RADIOLOGY SERVICES INCLUDING XRAY, ULTRASOUND, CT, MRI AND NUCLEAR MEDICINE. TOTAL PROCEDURE VOLUME IS 41,218 CONSISTING OF IP CARE (11%) AND OUTPATIENT CARE (89%).**

**4c** (Code \_\_\_\_\_) (Expenses \$ 3,986,376. including grants of \$ \_\_\_\_\_) (Revenue \$ 18,336,382.)  
**LAB-COMPRISED OF A FULL RANGE OF LABORATORY SERVICES INCLUDING PATHOLOGY, REFERENCE LAB SERVICES AND BLOOD BANK. TOTAL TEST VOLUME IS 267,434 CONSISTING OF IP CARE (18%) AND OUTPATIENT CARE (82%).**

**4d** Other program services (Describe in Schedule O.)

(Expenses \$ 38,413,035. including grants of \$ 18,650.) (Revenue \$ 68,548,793.)

**4e** Total program service expenses **▶** 51,104,163.

**Part IV Checklist of Required Schedules**

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

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**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>21</b> Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	<b>X</b>	
<b>22</b> 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>		<b>X</b>
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	<b>X</b>	
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>	<b>X</b>	
<b>24b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		<b>X</b>
<b>24c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		<b>X</b>
<b>24d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		<b>X</b>
<b>25a</b> <b>Section 501(c)(3) and 501(c)(4) organizations.</b> 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>		<b>X</b>
<b>25b</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>		<b>X</b>
<b>26</b> Was a loan to or by a current or former officer, director, trustee, key employee, highest 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>		<b>X</b>
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		<b>X</b>
<b>28</b> 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)		
<b>28a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		<b>X</b>
<b>28b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		<b>X</b>
<b>28c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		<b>X</b>
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		<b>X</b>
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		<b>X</b>
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		<b>X</b>
<b>32</b> 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>		<b>X</b>
<b>33</b> 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>		<b>X</b>
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	<b>X</b>	
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)?		<b>X</b>
<b>35b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		<b>X</b>
<b>37</b> 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>		<b>X</b>
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	<b>X</b>	

**Note.** All Form 990 filers are required to complete Schedule O

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

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	49	
<b>1b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
<b>c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	<b>1c</b>	X
<b>2a</b>	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.	647	
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to <i>e-file</i> (see instructions).	<b>2b</b>	X
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?	<b>3a</b>	X
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	<b>3b</b>	X
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	<b>4a</b>	X
<b>b</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.		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5a</b>	X
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b>	X
<b>c</b>	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	<b>5c</b>	
<b>6a</b>	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	<b>6a</b>	X
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>6b</b>	
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b>	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?	<b>7a</b>	X
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?	<b>7b</b>	
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<b>7c</b>	X
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year.	<b>7d</b>	
<b>e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7e</b>	X
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7f</b>	X
<b>g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	<b>7g</b>	
<b>h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	<b>7h</b>	
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	<b>8</b>	
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>a</b>	Did the organization make any taxable distributions under section 4966?	<b>9a</b>	
<b>b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?	<b>9b</b>	
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter:		
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12.	<b>10a</b>	
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	<b>10b</b>	
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter:		
<b>a</b>	Gross income from members or shareholders.	<b>11a</b>	
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	<b>11b</b>	
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12a</b>	
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	<b>12b</b>	
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>a</b>	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.	<b>13a</b>	
<b>b</b>	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	<b>13b</b>	
<b>c</b>	Enter the amount of reserves on hand.	<b>13c</b>	
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?	<b>14a</b>	X
<b>b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	<b>14b</b>	

**Part VI Governance, Management, and Disclosure**

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

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

**Section A. Governing Body and Management**

	Yes	No
<b>1a</b> Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	10	
<b>b</b> Enter the number of voting members included in line 1a, above, who are independent	10	
<b>2</b> Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
<b>3</b> Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		X
<b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
<b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets?		X
<b>6</b> Did the organization have members or stockholders?		X
<b>7a</b> Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		X
<b>b</b> Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b> The governing body?	X	
<b>b</b> Each committee with authority to act on behalf of the governing body?	X	
<b>9</b> Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

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

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

**Section C. Disclosure**

**17** List the states with which a copy of this Form 990 is required to be filed ► **IN, OH**

**18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

**19** Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year

**20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization. ►  
**JAMES MILLER - (513) 524-5310**  
**110 NORTH POPLAR STREET, OXFORD, OH 45056-1292**

**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. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) JOHN HARLAND, M.D. VICE CHAIRMAN	1.00	X						0.	0.	0.
(2) SUSAN CROSS LIPNICKEY TRUSTEE	1.00	X						0.	0.	0.
(3) JACK MANN TRUSTEE	1.00	X						0.	0.	0.
(4) RICHARD M. NORMAN CHAIRMAN	1.00	X						0.	0.	0.
(5) ALAN OAK SECRETARY-TREASURER	1.00	X						0.	0.	0.
(6) WILLIAM DOUGLAS ROSS, D.O. TRUSTEE	1.00	X						0.	0.	0.
(7) THOMAS W. SPEH TRUSTEE	1.00	X						0.	0.	0.
(8) PAIGE WOOD TRUSTEE	1.00	X						0.	0.	0.
(9) STEPHEN FLEE TRUSTEE	1.00	X						0.	0.	0.
(10) RALPH R. GUTOWSKI TRUSTEE	1.00	X						0.	0.	0.
(11) BRYAN HEHEMANN CEO	40.00			X				206,743.	0.	21,438.
(12) JOHN CLEMENTS VP & CFO	40.00			X				142,937.	0.	11,197.
(13) PAMELA COLLINS VP & CPSO	40.00			X				127,846.	0.	9,934.
(14) TAMMY LANGDON VP & CAO	40.00			X				120,232.	0.	20,954.
(15) KENNETH KELLER PHYSICIAN	40.00					X		246,835.	0.	1,389.
(16) MATTHEW BIRKLE PHYSICIAN	40.00					X		195,226.	0.	1,099.
(17) MARK CRISTELL PT DIRECTOR	40.00					X		135,452.	0.	21,039.



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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) MATTHEW DAGGY PHYSICIAN	40.00					X		237,090.	0.	1,335.
(19) MARY BROWN DIRECTOR OF IMAGING SERVICES	40.00					X		113,753.	0.	20,430.
<b>1b Sub-total</b>								1,526,114.	0.	108,815.
<b>c Total from continuation sheets to Part VII, Section A</b>								0.	0.	0.
<b>d Total (add lines 1b and 1c)</b>								1,526,114.	0.	108,815.

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

13

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

	Yes	No
3		X
4	X	
5		X

**Section B. Independent Contractors**

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

(A) Name and business address	(B) Description of services	(C) Compensation
CPSI 6600 WALL STREET, MOBILE, AL 36695	COMPUTER SYSTEMS	629,438.
NEACE LUKENS-COLUMBUS 400 SMITH ROAD, CINCINNATI, OH 45209	INSURANCE	495,237.
MAYO MEDICAL LABORATORIES PO BOX 9146, MINNEAPOLIS, MN 55480	MEDICAL	418,326.
GE HEALTHCARE PO BOX 96483, CHICAGO, IL 60693	MEDICAL EQUIPMENT REPAIR	394,428.
SOAP 118 EAST SUPERIOR STREET, WAYLAND, MI 49348	TRANSCRIPTION	349,150.

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

29

**Part VIII** Statement of RevenueCheck if Schedule O contains a response to any question in this Part VIII ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	1 a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	361,439.			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	1,008,293.			
	g	Noncash contributions included in lines 1a-1f \$					
	h	<b>Total.</b> Add lines 1a-1f		1,369,732.			
<b>Program Service Revenue</b>	2 a	PATIENT SERVICES	Business Code 900099	59,762,684.	59,762,684.		
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	<b>Total.</b> Add lines 2a-2f		59,762,684.			
	<b>Other Revenue</b>	3	Investment income (including dividends, interest, and other similar amounts)		23,046.		
4		Income from investment of tax-exempt bond proceeds					
5		Royalties					
6 a		Gross rents	(i) Real (ii) Personal 117,028.				
b		Less rental expenses	0.				
c		Rental income or (loss)	117,028.				
d		Net rental income or (loss)		117,028.			117,028.
7 a		Gross amount from sales of assets other than inventory	(i) Securities (ii) Other 4,390.				
b		Less cost or other basis and sales expenses	0.				
c		Gain or (loss)	4,390.				
d		Net gain or (loss)		4,390.			4,390.
8 a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a				
b		Less direct expenses	b				
c		Net income or (loss) from fundraising events					
9 a		Gross income from gaming activities See Part IV, line 19	a				
b		Less direct expenses	b				
c		Net income or (loss) from gaming activities					
10 a		Gross sales of inventory, less returns and allowances	a				
b	Less cost of goods sold	b					
c	Net income or (loss) from sales of inventory						
<b>Miscellaneous Revenue</b>			<b>Business Code</b>				
11 a	DIETARY	722210	211,089.			211,089.	
b	MISCELLANEOUS	900099	153,717.			153,717.	
c	WELLNESS CENTER	900099	112,522.			112,522.	
d	All other revenue	900099	77,421.			77,421.	
e	<b>Total.</b> Add lines 11a-11d		554,749.				
12	<b>Total revenue.</b> See instructions.		61,831,629.	59,762,684.	0.	699,213.	

**Part IX Statement of Functional Expenses**

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

Check if Schedule O contains a response 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	18,650.	18,650.		
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	661,281.	473,902.	187,379.	
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	21,664,964.	20,046,843.	1,618,121.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	333,194.	238,781.	94,413.	
9 Other employee benefits	3,754,519.	2,690,650.	1,063,869.	
10 Payroll taxes	1,593,955.	1,142,297.	451,658.	
11 Fees for services (non-employees)				
a Management				
b Legal	130,744.		130,744.	
c Accounting	106,200.		106,200.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	760.	543.	217.	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	6,447,340.	5,623,586.	823,754.	
12 Advertising and promotion	345,795.	252,245.	93,550.	
13 Office expenses	842,998.	643,885.	199,113.	
14 Information technology	1,547,956.	1,378,938.	169,018.	
15 Royalties				
16 Occupancy	2,215,499.	1,029,751.	1,185,748.	
17 Travel	58,388.	27,951.	30,437.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	58,276.	33,933.	24,343.	
20 Interest	711,633.	509,987.	201,646.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	4,348,836.	3,116,563.	1,232,273.	
23 Insurance	364,347.	261,204.	103,143.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a MEDICAL SUPPLIES	8,676,750.	8,596,899.	79,851.	
b BAD DEBT	6,851,141.	4,909,823.	1,941,318.	
c OTHER EXPENSES	948,070.	107,732.	840,338.	
d				
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	61,681,296.	51,104,163.	10,577,133.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

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

**Part X Balance Sheet**Check if Schedule O contains a response to any question in this Part X ☐

		(A) Beginning of year		(B) End of year	
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing	700.	<b>1</b>	2,325.	
	<b>2</b> Savings and temporary cash investments	3,495,515.	<b>2</b>	4,925,984.	
	<b>3</b> Pledges and grants receivable, net		<b>3</b>		
	<b>4</b> Accounts receivable, net	8,206,772.	<b>4</b>	8,518,246.	
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		<b>5</b>		
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		<b>6</b>		
	<b>7</b> Notes and loans receivable, net		<b>7</b>		
	<b>8</b> Inventories for sale or use	1,176,581.	<b>8</b>	1,120,098.	
	<b>9</b> Prepaid expenses and deferred charges	1,302,270.	<b>9</b>	1,479,791.	
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	<b>10a</b> 74,295,969.			
	<b>b</b> Less accumulated depreciation	<b>10b</b> 48,160,762.	<b>10c</b>	26,135,207.	
	<b>11</b> Investments - publicly traded securities		<b>11</b>		
	<b>12</b> Investments - other securities. See Part IV, line 11		<b>12</b>		
	<b>13</b> Investments - program-related. See Part IV, line 11		<b>13</b>		
	<b>14</b> Intangible assets		<b>14</b>		
	<b>15</b> Other assets. See Part IV, line 11	2,780,945.	<b>15</b>	3,617,655.	
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	45,819,702.	<b>16</b>	45,799,306.		
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses	4,241,958.	<b>17</b>	4,156,380.	
	<b>18</b> Grants payable		<b>18</b>		
	<b>19</b> Deferred revenue		<b>19</b>		
	<b>20</b> Tax-exempt bond liabilities	17,328,895.	<b>20</b>	15,101,425.	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D		<b>21</b>		
	<b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		<b>22</b>		
	<b>23</b> Secured mortgages and notes payable to unrelated third parties		<b>23</b>		
	<b>24</b> Unsecured notes and loans payable to unrelated third parties		<b>24</b>		
	<b>25</b> 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	456,746.	<b>25</b>	2,699,998.	
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25	22,027,599.	<b>26</b>	21,957,803.	
	<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
		<b>27</b> Unrestricted net assets	23,792,103.	<b>27</b>	23,841,503.
<b>28</b> Temporarily restricted net assets			<b>28</b>		
<b>29</b> Permanently restricted net assets			<b>29</b>		
<b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>					
<b>30</b> Capital stock or trust principal, or current funds			<b>30</b>		
<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund			<b>31</b>		
<b>32</b> Retained earnings, endowment, accumulated income, or other funds			<b>32</b>		
<b>33</b> <b>Total net assets or fund balances</b>		23,792,103.	<b>33</b>	23,841,503.	
<b>34</b> <b>Total liabilities and net assets/fund balances</b>	45,819,702.	<b>34</b>	45,799,306.		

Form 990 (2012)

**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	61,831,629.
2	Total expenses (must equal Part IX, column (A), line 25)	2	61,681,296.
3	Revenue less expenses Subtract line 2 from line 1	3	150,333.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	23,792,103.
5	Net unrealized gains (losses) on investments	5	-2,992.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-97,941.
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	23,841,503.

**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? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
b Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input checked="" type="checkbox"/> Both consolidated and separate basis	X	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	X	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

Form 990 (2012)

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

**2012**

Open to Public  
Inspection

Name of the organization

**MCCULLOUGH-HYDE MEMORIAL HOSPITAL**

Employer identification number

**31-0650283**

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

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

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)
- 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 - Non-functionally integrated
- 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 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 monetary support
			Yes	No	Yes	No	Yes	No	
<b>Total</b>									

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

Schedule A (Form 990 or 990-EZ) 2012

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

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

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>4 Total.</b> Add lines 1 through 3						
<b>5</b> 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)						
<b>6 Public support.</b> Subtract line 5 from line 4						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>7</b> Amounts from line 4						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets. (Explain in Part IV.)						
<b>11 Total support.</b> Add lines 7 through 10						
<b>12</b> Gross receipts from related activities, etc. (see instructions)					12	
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f))	14	%
<b>15</b> Public support percentage from 2011 Schedule A, Part II, line 14	15	%
<b>16a 33 1/3% support test - 2012.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization <input type="checkbox"/>		
<b>b 33 1/3% support test - 2011.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization <input type="checkbox"/>		
<b>17a 10% -facts-and-circumstances test - 2012.</b> 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 <b>stop here.</b> 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>b 10% -facts-and-circumstances test - 2011.</b> 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 <b>stop here.</b> 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>18 Private foundation.</b> 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"/>		

Schedule A (Form 990 or 990-EZ) 2012

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
<b>2</b> 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						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</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						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						

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

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	<b>15</b>	%
<b>16</b> Public support percentage from 2011 Schedule A, Part III, line 15	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	<b>17</b>	%
<b>18</b> Investment income percentage from 2011 Schedule A, Part III, line 17	<b>18</b>	%

**19a 33 1/3% support tests - 2012.** 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 - 2011.** 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 ☐



**SCHEDULE C**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Political Campaign and Lobbying Activities**

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

OMB No 1545-0047

**2012**

**Open to Public  
Inspection**

▶ **Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.**  
▶ **See separate instructions.**

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

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

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

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

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

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

Name of organization

**MCCULLOUGH-HYDE MEMORIAL HOSPITAL**

Employer identification number

**31-0650283**

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

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV
- 2 Political expenditures ▶ \$ **6,463.**
- 3 Volunteer hours

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

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

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

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

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

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

Schedule C (Form 990 or 990-EZ) 2012

LHA

232041  
01-07-13

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

**A** Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

**B** Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals
<b>1a</b> Total lobbying expenditures to influence public opinion (grass roots lobbying)			
<b>b</b> Total lobbying expenditures to influence a legislative body (direct lobbying)			
<b>c</b> Total lobbying expenditures (add lines 1a and 1b)			
<b>d</b> Other exempt purpose expenditures			
<b>e</b> Total exempt purpose expenditures (add lines 1c and 1d)			
<b>f</b> Lobbying nontaxable amount Enter the amount from the following table in both columns			
<b>If the amount on line 1e, column (a) or (b) is:</b>	<b>The lobbying nontaxable amount is:</b>		
Not over \$500,000	20% of the amount on line 1e		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000		
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
<b>g</b> Grassroots nontaxable amount (enter 25% of line 1f)			
<b>h</b> Subtract line 1g from line 1a If zero or less, enter -0-			
<b>i</b> Subtract line 1f from line 1c If zero or less, enter -0-			
<b>j</b> If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?			

☐ Yes ☐ No

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
<b>2a</b> Lobbying nontaxable amount					
<b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))					
<b>c</b> Total lobbying expenditures					
<b>d</b> Grassroots nontaxable amount					
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					
<b>f</b> Grassroots lobbying expenditures					

Schedule C (Form 990 or 990-EZ) 2012

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

For each "Yes," response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity

	(a)		(b)
	Yes	No	Amount
<b>1</b> During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
<b>a</b> Volunteers?		X	
<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
<b>c</b> Media advertisements?		X	
<b>d</b> Mailings to members, legislators, or the public?		X	
<b>e</b> Publications, or published or broadcast statements?		X	
<b>f</b> Grants to other organizations for lobbying purposes?		X	
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
<b>i</b> Other activities?	X		6,463.
<b>j</b> Total. Add lines 1c through 1i			6,463.
<b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912			
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
<b>d</b> If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

**Part IV** Supplemental Information

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

**PART I-A, LINE 1:**

SUPPORT PROVIDED THROUGH DUES PAID TO OHA AND AHA FOR DIRECT  
 COMMUNICATION WITH CERTAIN MEMBERS OF FEDERAL, STATE OR LOCAL  
 GOVERNMENT TO INFLUENCE LEGISLATION.

**PART II-B, LINE 1, LOBBYING ACTIVITIES:**

**Part IV** Supplemental Information *(continued)*

SUPPORT PROVIDED THRU DUES PAID TO OHA AND AHA FOR DIRECT COMMUNICATION  
WITH CERTAIN MEMBERS OF FEDERAL, STATE, OR LOCAL GOVERNMENT.

**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, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.  
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

**2012**  
**Open to Public**  
**Inspection**

Name of the organization

MCCULLOUGH-HYDE MEMORIAL HOSPITAL

Employer identification number

31-0650283

**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?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)

<input type="checkbox"/> Preservation of land for public use (e g , recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

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

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

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ► \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ► \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ 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 section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

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

(i) 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 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1	► \$ _____
b Assets included in Form 990, Part X	► \$ _____

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

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

a ☐ Public exhibition

b ☐ Scholarly research

c ☐ Preservation for future generations

d ☐ Loan or exchange programs

e ☐ Other \_\_\_\_\_

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

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets

to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" 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 XIII and complete the following table

c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

	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 XIII. Check here if the explanation has been provided in Part XIII

☐

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

1a Beginning of year balance

b Contributions

c Net investment earnings, gains, and losses

d Grants or scholarships

e Other expenditures for facilities and programs

f Administrative expenses

g End of year balance

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a					
1b					
1c					
1d					
1e					
1f					

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

a Board designated or quasi-endowment ☐ %

b Permanent endowment ☐ %

c Temporarily restricted endowment ☐ %

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

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

(i) unrelated organizations

(ii) related organizations

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

	Yes	No
3a(i)		
3a(ii)		
3b		

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

**Part VI Land, Buildings, and Equipment.** 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		2,035,418.		2,035,418.
b Buildings		26,557,968.	13,691,284.	12,866,684.
c Leasehold improvements		4,269,936.	2,412,583.	1,857,353.
d Equipment		40,873,939.	32,056,895.	8,817,044.
e Other		558,708.		558,708.
<b>Total.</b> Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				26,135,207.

Schedule D (Form 990) 2012

**Part VII Investments - Other Securities.** See Form 990, Part X, line 12

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

**Part VIII Investments - Program Related.** See Form 990, Part X, line 13

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
<b>Total</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.)		

**Part IX Other Assets.** See Form 990, Part X, line 15

(a) Description	(b) Book value
(1) UNAMORTIZED FINANCE COSTS	77,978.
(2) DOCTORS' LOANS RECEIVABLE	494,998.
(3) CASH SURRENDER VALUE	134,507.
(4) DUE FROM RELATED PARTY	1,912,570.
(5) ACCRUED INVESTMENT INCOME	446.
(6) BOARD DESIGNATED INVESTMENTS	997,156.
(7)	
(8)	
(9)	
(10)	
<b>Total</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.)	3,617,655.

**Part X Other Liabilities.** See Form 990, Part X, line 25

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) ESTIMATED THIRD PARTY SETTLEMENTS	536,796.
(3) A/R CREDIT BALANCE - UNCLAIMED	
(4) FUNDS	1,182,662.
(5) INCOME GUARANTEE	131,250.
(6) OTHER LIABILITIES	849,290.
(7)	
(8)	
(9)	
(10)	
(11)	
<b>Total</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.)	2,699,998.

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

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

<b>1</b>	Total revenue, gains, and other support per audited financial statements	<b>1</b>	61,963,541.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
<b>a</b>	Net unrealized gains on investments	<b>2a</b>	-2,992.
<b>b</b>	Donated services and use of facilities	<b>2b</b>	
<b>c</b>	Recoveries of prior year grants	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII )	<b>2d</b>	134,904.
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>	<b>2e</b>	131,912.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>	<b>3</b>	61,831,629.
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line <b>1</b>		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII )	<b>4b</b>	
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>	<b>4c</b>	0.
<b>5</b>	Total revenue Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12.)	<b>5</b>	61,831,629.

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

<b>1</b>	Total expenses and losses per audited financial statements	<b>1</b>	61,914,141.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25		
<b>a</b>	Donated services and use of facilities	<b>2a</b>	
<b>b</b>	Prior year adjustments	<b>2b</b>	
<b>c</b>	Other losses	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII )	<b>2d</b>	232,845.
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>	<b>2e</b>	232,845.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>	<b>3</b>	61,681,296.
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line <b>1</b> .		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII )	<b>4b</b>	
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>	<b>4c</b>	0.
<b>5</b>	Total expenses Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18.)	<b>5</b>	61,681,296.

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

**PART XI, LINE 2D - OTHER ADJUSTMENTS:**

AMOUNT REPORTED ON 990T 134,904.

**PART XII, LINE 2D - OTHER ADJUSTMENTS:**

EXPENSES REPORTED ON 990T 232,845.

ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

REQUIRE MANAGEMENT TO EVALUATE TAX POSITIONS TAKEN BY THE HOSPITAL AND

Schedule D (Form 990) 2012



**Part XIII** Supplemental Information *(continued)*

RECOGNIZE A TAX LIABILITY IF THE HOSPITAL HAS TAKEN AN UNCERTAIN POSITION THAT MORE LIKELY THAN NOT WOULD NOT BE SUSTAINED UPON EXAMINATION BY VARIOUS FEDERAL AND STATE TAXING AUTHORITIES. MANAGEMENT HAS ANALYZED THE TAX POSITIONS TAKEN BY THE HOSPITAL, AND HAS CONCLUDED THAT AS OF DECEMBER 31, 2012 AND 2011, THERE ARE NO UNCERTAIN POSITIONS TAKEN OR EXPECTED TO BE TAKEN THAT WOULD REQUIRE RECOGNITION OF A LIABILITY OR DISCLOSURE IN THE ACCOMPANYING FINANCIAL STATEMENTS. THE HOSPITAL IS SUBJECT TO ROUTINE AUDITS BY TAXING JURISDICTIONS; HOWEVER, THERE ARE CURRENTLY NO AUDITS FOR ANY TAX PERIODS IN PROGRESS.

**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

**2012**

**Open to Public  
Inspection**

Name of the organization

**MCCULLOUGH-HYDE MEMORIAL HOSPITAL**

Employer identification number

**31-0650283**

**Part I Financial Assistance and Certain Other Community Benefits at Cost**

**1a** Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a

	Yes	No
<b>1a</b>	<b>X</b>	
<b>1b</b>	<b>X</b>	
<b>3a</b>	<b>X</b>	
<b>3b</b>	<b>X</b>	
<b>4</b>	<b>X</b>	
<b>5a</b>	<b>X</b>	
<b>5b</b>		<b>X</b>
<b>5c</b>		
<b>6a</b>	<b>X</b>	
<b>6b</b>	<b>X</b>	

**b** If "Yes," was it a written policy?

If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year

- 2**
- ☐ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities
- ☐ Generally tailored to individual hospital facilities

**3** Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year

**a** Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care?

If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care

☒ 100% ☐ 150% ☐ 200% ☐ Other \_\_\_\_\_ %

**b** Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care

☐ 200% ☐ 250% ☒ 300% ☐ 350% ☐ 400% ☐ Other \_\_\_\_\_ %

**c** If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care

**4** Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?

**5a** Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?

**b** If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?

**c** If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?

**6a** Did the organization prepare a community benefit report during the tax year?

**b** If "Yes," did the organization make it available to the public?

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

**7 Financial Assistance and Certain Other Community Benefits at Cost**

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
<b>Financial Assistance and Means-Tested Government Programs</b>						
<b>a</b> Financial Assistance at cost (from Worksheet 1)			1629389.		1629389.	2.97%
<b>b</b> Medicaid (from Worksheet 3, column a)			8369667.	4127816.	4241851.	7.74%
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b)						
<b>d Total</b> Financial Assistance and Means-Tested Government Programs			9999056.	4127816.	5871240.	10.71%
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4)			147,805.		147,805.	.27%
<b>f</b> Health professions education (from Worksheet 5)						
<b>g</b> Subsidized health services (from Worksheet 6)						
<b>h</b> Research (from Worksheet 7)						
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8)						
<b>j Total.</b> Other Benefits			147,805.		147,805.	.27%
<b>k Total.</b> Add lines 7d and 7j			10146861.	4127816.	6019045.	10.98%



## Section A. Hospital Facilities

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

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

Name, address, and primary website address

1 MCCULLOUGH HYDE MEMORIAL HOSPITAL  
110 N. POPLAR ST.  
OXFORD, OH 45056

[illegible]

**Part V Facility Information** (continued)**Section B. Facility Policies and Practices**

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

Name of hospital facility or facility reporting group MCCULLOUGH-HYDE MEMORIAL HOSPITALFor single facility filers only: line number of hospital facility (from Schedule H, Part V, Section A) 1**Community Health Needs Assessment** (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)**1** During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9

If "Yes," indicate what the CHNA report describes (check all that apply)

- a** ☐ A definition of the community served by the hospital facility
- b** ☐ Demographics of the community
- c** ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community
- d** ☐ How data was obtained
- e** ☐ The health needs of the community
- f** ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups
- g** ☐ The process for identifying and prioritizing community health needs and services to meet the community health needs
- h** ☐ The process for consulting with persons representing the community's interests
- i** ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs
- j** ☐ Other (describe in Part VI)

**2** Indicate the tax year the hospital facility last conducted a CHNA 20     **3** In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? 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**4** Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI**5** Did the hospital facility make its CHNA report widely available to the public?

If "Yes," indicate how the CHNA report was made widely available (check all that apply)

- a** ☐ Hospital facility's website
- b** ☐ Available upon request from the hospital facility
- c** ☐ Other (describe in Part VI)

**6** If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)

- a** ☐ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA
- b** ☐ Execution of the implementation strategy
- c** ☐ Participation in the development of a community-wide plan
- d** ☐ Participation in the execution of a community-wide plan
- e** ☐ Inclusion of a community benefit section in operational plans
- f** ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA
- g** ☐ Prioritization of health needs in its community
- h** ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community
- i** ☐ Other (describe in Part VI)

**7** Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs**8a** Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?**b** If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?**c** If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$     

Yes No

1

3

4

5

7

8a

8b

**Part V Facility Information** (continued) MCCULLOUGH-HYDE MEMORIAL HOSPITAL

Financial Assistance Policy		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that			
9	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	X	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	X	
	If "Yes," indicate the FPG family income limit for eligibility for free care <u>100</u> %		
	If "No," explain in Part VI the criteria the hospital facility used.		
11	Used FPG to determine eligibility for providing discounted care?	X	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>300</u> %		
	If "No," explain in Part VI the criteria the hospital facility used		
12	Explained the basis for calculating amounts charged to patients?	X	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)		
a	<input checked="" type="checkbox"/> Income level		
b	<input type="checkbox"/> Asset level		
c	<input type="checkbox"/> Medical indigency		
d	<input type="checkbox"/> Insurance status		
e	<input type="checkbox"/> Uninsured discount		
f	<input type="checkbox"/> Medicaid/Medicare		
g	<input type="checkbox"/> State regulation		
h	<input type="checkbox"/> Other (describe in Part VI)		
13	Explained the method for applying for financial assistance?	X	
14	Included measures to publicize the policy within the community served by the hospital facility?	X	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		
a	<input type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input checked="" type="checkbox"/> The policy was attached to billing invoices		
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" 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 on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available on request		
g	<input type="checkbox"/> Other (describe in Part VI)		
<b>Billing and Collections</b>			
15	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?	X	
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine patient's eligibility under the facility's FAP:		
a	<input checked="" type="checkbox"/> Reporting to credit agency		
b	<input checked="" type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Part VI)		
17	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?	X	
	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 type="checkbox"/> Other similar actions (describe in Part VI)		

Schedule H (Form 990) 2012

**Part V Facility Information** (continued) **MCCULLOUGH-HYDE MEMORIAL HOSPITAL**

**18** Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- a ☐ Notified individuals of the financial assistance policy on admission  
 b ☒ Notified individuals of the financial assistance policy prior to discharge  
 c ☒ Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills  
 d ☒ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy  
 e ☐ Other (describe in Part VI)

**Policy Relating to Emergency Medical Care**

**19** 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?

	Yes	No
19	X	

If "No," indicate why

- a ☐ The hospital facility did not provide care for any emergency medical conditions  
 b ☐ The hospital facility's policy was not in writing  
 c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)  
 d ☐ Other (describe in Part VI)

**Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)**

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

- a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged  
 b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged  
 c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged  
 d ☒ Other (describe in Part VI)

**21** During the tax year, did the hospital facility charge any of its FAP-eligible individuals, 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.

**22** During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual?

If "Yes," explain in Part VI

21		X
22		X

Schedule H (Form 990) 2012





**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; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any 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
- 8 Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

PART I, LINE 7, COLUMN (F): THE BAD DEBT EXPENSE INCLUDED ON FORM 990,  
PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING  
THE PERCENTAGE IN THIS COLUMN IS \$ 6851141.

PART II: MCCULLOUGH-HYDE MEMORIAL HOSPITAL PROMOTES HEALTH  
AND WELLBEING IN OUR COMMUNITY IN NUMEROUS WAYS NOT LISTED IN THE  
COMMUNITY EVENTS AND PROGRAMS SECTION OF THE 990. EXAMPLES INCLUDE:

1. MHMH HELPED PROMOTE WELLNESS BY PROVIDING MEETING SPACE TO  
THE INFANT/CHILD LOSS BEREAVEMENT SUPPORT GROUP AND FIBROMYALGIA SUPPORT  
GROUP.

2. MHMH ASSISTED OUR LOCAL SCHOOL DISTRICT WITH IDENTIFIED  
HEALTH/WELLNESS NEEDS. EXAMPLES INCLUDE:

A. DEVELOPED AND PROVIDED CRISIS CARDS FOR ALL 8TH  
GRADERS AND ALL COUNSELORS IN THE SCHOOL DISTRICT

B. DEVELOPED CURRICULUM THAT COMBINED TRADITIONAL

**Part VI** Supplemental Information

LEARNING WITH EXERCISE TO HELP FIGHT OBESITY IN OUR  
ELEMENTARY STUDENTS

C. DEVELOPED AND HELD MINI HEALTH SEMINARS FOR 6TH  
GRADE STUDENTS ON SLEEP, NUTRITION, EXERCISE AND MENTAL  
HEALTH

3. MHMH PROVIDED OFFICE SPACE AND MEETING SPACE FOR THE OXFORD  
COLLEGE CORNER CLINIC, WHICH IS A CLINIC THAT PROVIDES FREE HEALTH CARE  
TO THE UNINSURED AND UNDERINSURED ADULTS IN OUR COMMUNITY

4. MHMH IMPROVED THEIR EMPLOYEE WELLNESS PROGRAM BY:

A. IMPLEMENTING A HEALTH RISK ASSESSMENT FOR THEIR  
EMPLOYEES TO IDENTIFY HEALTH NEEDS/CONCERNS IN OUR EMPLOYEE  
POPULATION

B. OFFERING MAMMOGRAMS AND PROSTATE SCREENING TO  
APPROPRIATE EMPLOYEES FREE OF CHARGE

C. INCENTIVIZING EMPLOYEES TO ADOPT HEALTHIER BEHAVIOR

PART III, LINE 4: THE HOSPITAL HAS A DETAILED FINANCIAL ASSISTANCE  
POLICY WHICH STATES THAT TO PARTICIPATE IN CHARITY CARE CANDIDATES MUST  
COOPERATE FULLY. IN ADDITION THE HOSPITAL EDUCATES PATIENTS WITH LIMITED  
ABILITY TO PAY REGARDING FINANCIAL ASSISTANCE. FOR THIS REASON THE  
ORGANIZATION BELIEVES THAT IT ACCURATELY CAPTURES ALL CHARITY CARE  
DEDUCTIONS PROVIDED ACCORDING TO THE FINANCIAL ASSISTANCE POLICY AND THE  
AMOUNT OF BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE  
ORGANIZATION'S CHARITY CARE POLICY IS NEGLIGIBLE.

PART III, LINE 8: THE SOURCE USED TO DETERMINE THE AMOUNT OF MEDICARE

**Part VI** Supplemental Information

ALLOWABLE COSTS REPORTED FOR PART III, SECTION B, MEDICARE HAS BEEN PROVIDED FROM THE YEAR ENDED DECEMBER 31, 2012 REPORT: HOSPITAL STATEMENT OF REIMBURSABLE COST.

PART III, LINE 9B: ONCE IT HAS BEEN DETERMINED THAT A PATIENT QUALIFIES FOR CHARITY CARE/FINANCIAL ASSISTANCE, COLLECTION PRACTICES ARE STOPPED.

MCCULLOUGH-HYDE MEMORIAL HOSPITAL:

PART V, SECTION B, LINE 20D: DISCOUNT BASED ON AVG COMMERCIAL INSURANCE WRITEDOWN

PART VI, LINE 2: MCCULLOUGH-HYDE USES A PROCESS OF ASSESSMENT TO GAUGE THE HEALTHCARE NEEDS OF THE COMMUNITY WE SERVE. THE COMPONENTS OF THAT PROCESS FOR 2011 WERE:

1. A NINE-MONTH STRATEGIC PLANNING PROCESS WITH INPUT FROM VARIOUS STAKEHOLDER GROUPS INCLUDING THE MEDICAL STAFF, THE LOCAL COMMUNITY FOUNDATION, THE LOCAL FREE MEDICAL CLINIC (OXFORD COLLEGE CORNER CLINIC), THE LOCAL SOCIAL NEEDS UMBRELLA ORGANIZATION (FAMILY RESOURCE CENTER), AND SEVERAL SMALLER FOCUS GROUPS OF PATIENTS, COMMUNITY LEADERS, AND NON-PATIENTS.

2. ALL UNINSURED EMERGENCY DEPARTMENT PATIENTS ARE ASSESSED BY STAFF AND REFERRED TO THE LOCAL FREE MEDICAL CLINIC FOR FOLLOW-UP CARE AND ASSISTANCE, WHEN APPROPRIATE. THAT DATA INFORMS POTENTIAL EDUCATION AND SERVICE PROGRAMS THAT THE HOSPITAL OFFERS TO THE COMMUNITY.

**Part VI** Supplemental Information

3. ON-GOING PARTNERSHIPS WITH MIAMI UNIVERSITY, THE CITY OF OXFORD, AND THE LOCAL SCHOOL DISTRICT TO JOINTLY ADDRESS SPECIFIC HEALTH CARE NEEDS OF THEIR RESPECTIVE POPULATIONS.

4. AN ON-GOING, LESS FORMAL PROGRAM, GATHERS INPUT FROM MINISTERS IN OUR CHAPLAIN PROGRAM AND FROM OUR MANY VOLUNTEERS.

PART VI, LINE 3: FINANCIAL COUNSELORS ARE LOCATED IN THE PATIENT ACCESS AREAS AND PATIENTS ARE OFTEN REFERRED TO THEM AFTER THE COMPLETION OF THE REGISTRATION PROCESS. IN THE EVENT THAT FINANCIAL COUNSELORS ARE NOT AVAILABLE PATIENT ACCESS STAFF IS EDUCATED ON THE CHARITY CARE/FINANCIAL ASSISTANCE POLICIES AND HAVE APPLICATIONS AVAILABLE. CHARITY CARE INFORMATION IS ALSO INCLUDED ON OUR PATIENT STATEMENTS. ALL CUSTOMER SERVICE REPRESENTATIVES ARE FAMILIAR WITH OUR POLICIES AND CAN SPEAK TO OUR CUSTOMERS ABOUT CHARITY CARE/FINANCIAL ASSISTANCE ELIGIBILITY. BROCHURES EXPLAINING CHARITY CARE/FINANCIAL ASSISTANCE ARE ALSO AVAILABLE IN VARIOUS LOCATIONS THROUGHOUT THE HOSPITAL.

PART VI, LINE 4: MCCULLOUGH HYDE MEMORIAL HOSPITAL SERVES A DIVERSE DEMOGRAPHIC INCLUDING THE NORTHWESTERN CORNER OF BUTLER COUNTY, OHIO, THE SOUTHWESTERN CORNER OF PREBLE COUNTY, OHIO AND THE COUNTIES OF FRANKLIN, UNION AND FAYETTE IN INDIANA. THE MAIN CAMPUS IS LOCATED IN OXFORD, OHIO, THE HOME OF MIAMI UNIVERSITY WITH A POPULATION RANGING TO NEARLY 30,000 DURING THE SCHOOL YEAR TO HALF THAT NUMBER DURING THE SUMMER. MHMH COUNTS ITS PRIMARY SERVICE AREA AS THE FOLLOWING:

OXFORD, OH - 45056 - POPULATION 29,739

BROOKVILLE, IN - 47012 - POPULATION 10,455

COLLEGE CORNER, OH - 45003 - POPULATION 971

**Part VI** Supplemental Information

EATON, OH - 45320 - POPULATION 15,354

SOMERSVILLE, OH - 45064 - 2,963

CAMDEN, OH - 45311 - 7,215

LIBERTY, IN - 47353 - 5,698

WEST COLLEGE CORNER, IN - 47003 - 834

TOTAL PRIMARY SERVICE AREA POPULATION = 73,229

AND ITS PRIMARY AND ITS SECONDARY SERVICE AREAS ARE THE FOLLOWING:

HAMILTON, OH - 45013 - 54,814

CONNERSVILLE, IN - 47331 - 23,438

METAMORA, IN - 47030 - 1,631

OKEANA, OH - 45053 - 3,712

TOTAL SECONDARY SERVICE AREA POPULATION = 83,595

IN TERMS OF SOCIO-ECONOMIC DEMOGRAPHICS, THE EDUCATIONAL ATTAINMENT IS LOWER THAN COUNTY, STATE AND NATIONAL AVERAGES AND THE UNEMPLOYMENT HIGHER THAN COUNTY, STATE AND NATIONAL AVERAGES IN ALL OF THE UNINCORPORATED AND RURAL AREAS SERVED BY MHM. ALL OF THE AREAS IN INDIANA AND THE RURAL AREAS IN PREBLE AND BUTLER COUNTIES (CAMDEN, SOMERVILLE) ARE DESIGNATED AS HEALTH PROFESSIONAL SHORTAGE AREAS BY THE NATIONAL HEALTH SERVICE CORPS. MCCULLOUGH HYDE HAS RECRUITED, SUPPORTED AND WILL CONTINUE TO RECRUIT AND SUPPORT BOTH PRIMARY CARE PHYSICIANS AND SPECIALISTS TO MEET THE NEEDS OF RESIDENTS OF THESE COMMUNITIES.

**SCHEDULE I**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Grants and Other Assistance to Organizations,  
Governments, and Individuals in the United States**

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.  
▶ Attach to Form 990.

OMB No 1545-0047

**2012**

Open to Public  
Inspection

Name of the organization

**MCCULLOUGH-HYDE MEMORIAL HOSPITAL**

Employer identification number  
**31-0650283**

**Part I** General information on Grants and Assistance

**1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes ☐ No

**2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

**Part II** Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
TALAWANDA SCHOOL DISTRICT 131 WEST CHESTER ST. OXFORD, OH 45056	31-6005340		11,150.	0.			SCHOOL PROGRAMS
SANE OF BUTLER COUNTY P.O. BOX 18818 FAIRFIELD, OH 45018	31-1604036		7,500.	0.			FORENSIC CARE

**2** Enter total number of section 501(c)(3) and government organizations listed in the line 1 table

27.

**3** Enter total number of other organizations listed in the line 1 table

6.

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

Schedule I (Form 990) (2012)



**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

**2012**

Open to Public Inspection

Name of the organization

**MCCULLOUGH-HYDE MEMORIAL HOSPITAL**

Employer identification number

**31-0650283**

**Part I Questions Regarding Compensation**

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

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

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

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

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

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

**4** During the year, did any person listed 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?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?

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

**Only section 501(c)(3) and 501(c)(4) organizations 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?
- b** Any related organization?
- 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?
- b** Any related organization?
- 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

**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 Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

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

Yes No

**1b**

**2**

**4a**

**4b**

**4c**

**5a**

**5b**

**6a**

**6b**

**7**

**8**

**9**

**X**

**X**

**X**

**X**

**X**

**X**

**X**

**X**

**X**

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

Schedule J (Form 990) 2012





**Part III** Supplemental Information

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

PART I, LINE 4B: BRYAN HEHEMANN - LIFE INSURANCE POLICY - PAID UP  
POLICY AT 65. FACE AMOUNT IS 100K WITH CASH SURRENDER VALUE. THERE IS AN  
ANNUAL PREMIUM OF \$8,874 WITH THE VALUE AT 12/31/12 AT \$45,503.

**SCHEDULE K**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information on Tax-Exempt Bonds**

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

OMB No. 1545-0047

**2012**  
**Open to Public Inspection**

Name of the organization

**MCCULLOUGH-HYDE MEMORIAL HOSPITAL**

Employer identification number  
**31-0650283**

**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) Pooled financing	
						Yes	No	Yes	No	Yes	No
BUTLER COUNTY-SERIES A 2009A	31-6000061	NONE	05/07/03	17223844.	CONSTRUCTION/EXPAN SION		X		X		X
BUTLER COUNTY-SERIES B 2009B	31-6000061	NONE	05/07/03	4,776,156.	CONSTRUCTION/EXPAN SION		X		X		X
C											
D											

**Part II Proceeds**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Amount of bonds retired								
2 Amount of bonds legally defeased								
3 Total proceeds of issue								
4 Gross proceeds in reserve funds								
5 Capitalized interest from proceeds								
6 Proceeds in refunding escrows								
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	2011		2011					
14 Were the bonds issued as part of a current refunding issue?	X		X					
15 Were the bonds issued as part of an advance refunding issue?		X		X				
16 Has the final allocation of proceeds been made?	X		X					
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

**Part III Private Business Use**

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

232121  
12-17-12

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

**Part III Private Business Use** (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts that may result in private business use of bond-financed property?		X		X				
<b>b</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?								
<b>c</b> Are there any research agreements that may result in private business use of bond-financed property?		X		X				
<b>d</b> 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?								
<b>4</b> 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		%		%		%		%
<b>5</b> 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		%		%		%		%
<b>6</b> Total of lines 4 and 5		%		%		%		%
<b>7</b> Does the bond issue meet the private security or payment test?		X		X				
<b>8a</b> Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				
<b>b</b> If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of		%		%		%		%
<b>c</b> If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
<b>9</b> Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?								

**Part IV Arbitrage**

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

## Part IV Arbitrage (Continued)

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

## Part V Procedures To Undertake Corrective Action

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

**Part VI Supplemental Information.** Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

**Part VI Supplemental information.** Complete this part to provide additional information for responses to questions on Schedule A (see instructions).

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

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

OMB No 1545-0047

**2012**  
Open to Public  
Inspection

Name of the organization

MCCULLOUGH-HYDE MEMORIAL HOSPITAL

Employer identification number  
31-0650283

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

SERVE.

FORM 990, PAGE 1, BOX B

REASON FOR AMENDED RETURN

AMENDMENT IS DUE TO INCORRECT AUDITED FINANCIAL STATEMENTS. CORRECT  
AUDITED FINANCIAL STATEMENTS HAVE BEEN ADDED.

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

INPATIENT VOLUME CONSISTED OF 2,384 DISCHARGES AND 8,516 PATIENT DAYS  
WITH AN AVERAGE LENGTH OF STAY OF 3.6 DAYS. BIRTHS TOTALED 413 WITH A  
TOTAL OF 736 OBSERVATION DAYS OF SERVICE. OVERALL, INPATIENT AND  
OUTPATIENT CARE REPRESENT 28% AND 72% OF GROSS PATIENT REVENUE,  
RESPECTIVELY.

EXPENSES \$ 38,413,035. INCL GRANTS OF \$ 18,650. REVENUE \$ 68,548,793.

FORM 990, PART VI, SECTION B, LINE 11: THE 990 IS PREPARED BY THE CPA  
FIRM, BLUE & CO LLC AND PRESENTED TO CFO AND FINANCE COMMITTEE FOR REVIEW.  
THE 990 IS THEN PRESENTED AT THE BOARD MEETING.

FORM 990, PART VI, SECTION B, LINE 12C: ANNUALLY THE CORPORATE COMPLIANCE  
OFFICER REQUIRES THE OFFICERS, TRUSTEES, DIRECTORS AND KEY EMPLOYEES TO  
DISCLOSE IN WRITING ANY INTEREST THAT COULD GIVE RISE TO CONFLICTS.

FORM 990, PART VI, SECTION B, LINE 15: THE PROCESS FOR DETERMINING  
COMPENSATION INCLUDES INDEPENDENT CONSULTANT INPUT, WRITTEN EMPLOYMENT

Name of the organization

MCCULLOUGH-HYDE MEMORIAL HOSPITAL

Employer identification number

31-0650283

CONTRACT, COMPENSATION SURVEY STUDY AND APPROVAL BY THE BOARD.

FORM 990, PART VI, SECTION C, LINE 19: UPON INDIVIDUAL REQUEST

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

CONTRACTED LABOR:

PROGRAM SERVICE EXPENSES 2,138,153.

MANAGEMENT AND GENERAL EXPENSES 167,234.

FUNDRAISING EXPENSES 0.

TOTAL EXPENSES 2,305,387.

PURCHASED SERVICES:

PROGRAM SERVICE EXPENSES 3,485,433.

MANAGEMENT AND GENERAL EXPENSES 656,520.

FUNDRAISING EXPENSES 0.

TOTAL EXPENSES 4,141,953.

TOTAL OTHER FEES ON FORM 990, PART IX, LINE 11G, COL A 6,447,340.

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

REVENUE REPORTED ON 990T 134,904.

EXPENSES REPORTED ON 990T -232,845.

TOTAL TO FORM 990, PART XI, LINE 9 -97,941.

FORM 990 PAGE 10 PART X LINE 11G

OTHER FEES FOR SERVICE - NON EMPLOYEES

CONTRACTED WAGES = \$2,305,387

PURCHASED SERVICES = \$4,141,954







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

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

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

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

**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-s)	(c) Amount involved	(d) Method of determining amount involved
<b>(1) MCCULLOUGH-HYDE MEMORIAL HOSPITAL</b>				
<b>(1) ENDOWMENT</b>		C	113,933.	
<b>(2) MCCULLOUGH-HYDE MEMORIAL HOSPITAL</b>				
<b>(2) ENDOWMENT</b>		Q	203,971.	
<b>(3)</b>				
<b>(4)</b>				
<b>(5)</b>				
<b>(6)</b>				



**Part VII** Supplemental Information

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

**PART II, IDENTIFICATION OF RELATED TAX-EXEMPT ORGANIZATIONS:**

NAME OF RELATED ORGANIZATION:

MCCULLOUGH-HYDE MEMORIAL HOSPITAL ENDOWMENT

PRIMARY ACTIVITY: OBTAIN CHARITABLE CONTRIBUTIONS, MANAGE THEM AND  
DISBURSE BY BOARD DIRECTION

# **MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.**

## **FINANCIAL STATEMENTS**

**DECEMBER 31, 2012 AND 2011**

*CPAs / ADVISORS*



# **MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.**

## **TABLE OF CONTENTS DECEMBER 31, 2012 AND 2011**

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Blue & Co. LLC • 8400 Lyra Drive, Suite 150 • Columbus OH 43240  
TEL 614 885 BLUE (2583) FAX 614 885 0580 email blue@blueandco.com

## REPORT OF INDEPENDENT AUDITORS

To the Board of Directors  
McCullough-Hyde Memorial Hospital, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of McCullough-Hyde Memorial Hospital, Inc. (the "Hospital"), which comprise the balance sheets as of December 31, 2012 and 2011, and the related statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

Board of Directors  
McCullough-Hyde Memorial Hospital

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Hospital as of December 31, 2012 and 2011, and its results of 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.

*Ben G. Lee*

Columbus, Ohio  
April 25, 2013



# MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.

## BALANCE SHEETS DECEMBER 31, 2012 AND 2011

### ASSETS

	2012	2011
<b>Current assets</b>		
Cash and cash equivalents	\$ 4,928,310	\$ 3,496,215
Patient accounts receivable, net of estimated allowance for doubtful accounts of \$7,973,000 in 2012 and \$7,373,000 in 2011	8,518,246	8,206,772
Due from Trust	1,912,570	1,679,744
Inventory	1,120,098	1,176,581
Prepaid expenses and other	1,479,791	1,302,270
Total current assets	17,959,015	15,861,582
<b>Assets whose use is limited</b>	997,602	-
<b>Property and equipment, net</b>	26,135,206	28,856,919
<b>Other assets</b>	707,483	1,101,201
Total assets	<u>\$ 45,799,306</u>	<u>\$ 45,819,702</u>

*See accompanying notes to financial statements.*

# MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.

## BALANCE SHEETS DECEMBER 31, 2012 AND 2011

### LIABILITIES AND NET ASSETS

	2012	2011
<b>Current liabilities</b>		
Current maturities of long-term debt	\$ 2,326,463	\$ 2,227,470
Accounts payable and accrued expenses	2,383,252	1,330,082
Salaries and wages payable	610,595	503,421
Accrued paid time off	1,162,533	1,285,079
Other liabilities	2,031,952	920,877
Estimated third-party settlements	536,796	456,746
Total current liabilities	9,051,591	6,723,675
<b>Long-term liabilities</b>		
Other liabilities	131,250	202,500
Long-term debt - less current maturities	12,774,962	15,101,424
Total long-term liabilities	12,906,212	15,303,924
Total liabilities	21,957,803	22,027,599
<b>Unrestricted net assets</b>	23,841,503	23,792,103
Total liabilities and net assets	<u>\$ 45,799,306</u>	<u>\$ 45,819,702</u>

See accompanying notes to financial statements.

# MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.

## STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
<b>Revenues</b>		
Net patient service revenue	\$ 59,762,684	\$ 62,065,287
Less: provision for bad debts	(6,851,141)	(6,013,424)
Net patient service revenue less provision for bad debts	52,911,543	56,051,863
Other revenue	2,018,945	1,082,007
Total revenues	54,930,488	57,133,870
<b>Operating expenses</b>		
Salaries and wages	22,262,721	22,394,180
Employee benefits	5,745,192	5,991,020
Contracted wages	2,305,388	2,357,395
Purchased services	6,279,120	6,636,399
Supplies	9,304,724	10,083,693
Other expenses	2,681,575	2,508,045
Utilities	954,947	956,151
Insurance	434,101	502,034
Depreciation and amortization	4,383,598	4,130,611
Interest	711,634	806,496
Total operating expenses	55,063,000	56,366,024
<b>Operating gain (loss)</b>	(132,512)	767,846
<b>Nonoperating income</b>		
Investment income	20,054	82,344
Gain on disposal of assets	4,390	924
Unrestricted gifts	157,468	114,187
Total nonoperating income	181,912	197,455
<b>Excess of revenues over expenses/ Change in unrestricted net assets</b>	49,400	965,301
<b>Unrestricted net assets - beginning of year</b>	23,792,103	22,826,802
<b>Unrestricted net assets - end of year</b>	<u>\$ 23,841,503</u>	<u>\$ 23,792,103</u>

See accompanying notes to financial statements.

# MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.

## STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
<b>Cash flows from operating activities</b>		
Change in unrestricted net assets	\$ 49,400	\$ 965,301
Adjustments to reconcile change in unrestricted net assets to net cash flows provided by operating activities		
Depreciation and amortization	4,383,598	4,130,611
Bad debts	6,851,141	6,013,424
Gain on disposal of assets	(4,390)	(924)
Changes in operating assets and liabilities		
Patient accounts receivable	(7,162,615)	(6,158,229)
Inventory	56,483	(33,121)
Prepaid expenses and other	(177,521)	88,315
Other assets	393,718	221,301
Due from Trust	(232,826)	(438,451)
Accounts payable and accrued expenses	1,053,170	(451,752)
Salaries and wages payable	107,174	79,165
Accrued paid time off	(122,546)	2,938
Other liabilities	1,039,825	(722,734)
Estimated third-party settlements	80,050	(1,934,290)
Net cash flow from operating activities	6,314,661	1,761,554
<b>Cash flows from investing activities</b>		
Change in assets whose use is limited	(997,602)	343,515
Proceeds from sale of equipment	4,390	1,328
Purchase of property and equipment	(1,661,885)	(2,754,089)
Net cash flow from investing activities	(2,655,097)	(2,409,246)
<b>Cash flows from financing activities</b>		
Principal payments on long-term debt	(2,227,469)	(2,132,606)
Net cash flow from financing activities	(2,227,469)	(2,132,606)
Change in cash and cash equivalents	1,432,095	(2,780,298)
<b>Cash and cash equivalents - beginning of year</b>	3,496,215	6,276,513
<b>Cash and cash equivalents - end of year</b>	<u>\$ 4,928,310</u>	<u>\$ 3,496,215</u>
<b>Supplemental disclosures of cash flow information</b>		
Cash paid during the year for interest	\$ 711,634	\$ 806,496

See accompanying notes to financial statements.

# MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012 AND 2011

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### 1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

#### Organization

McCullough-Hyde Memorial Hospital, Inc. (the "Hospital"), is an Ohio not-for-profit corporation which operates a 60 bed acute care hospital facility in Oxford, Ohio. The Hospital offers inpatient and outpatient health care services to patients in the Oxford vicinity.

The McCullough-Hyde Memorial Hospital Trust was specifically organized to provide financial support to McCullough-Hyde Memorial Hospital, Inc. Under the Hospital's by-laws, the Hospital's Board shall consist of the same individuals serving on the Board of Trustees for the Trust.

The accompanying financial statements present only the financial position, operations, changes in net assets and cash flows of the Hospital. As the Trust controls the Hospital, the Hospital's financial statements are consolidated into the Trust's consolidated financial statements in a separate report.

#### New Accounting Pronouncement

The Hospital adopted Accounting Standards Update 2011-07, *Healthcare Entities (Topic 954), "Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Healthcare Entities,"* which requires certain healthcare entities to present the provision for bad debts relating to patient service revenue as a deduction from patient service revenue in the statements of operations and changes in net assets rather than as an operating expense. All periods presented have been reclassified to conform to this presentation. The Hospital's adoption of this standard had no net impact on financial position, results of operations, or cash flows.

This standard also requires healthcare entities to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts, as well as qualitative and quantitative information about changes in the allowance for doubtful accounts. See the "Patient Accounts Receivable and Net Patient Service Revenue" and "Allowance for Doubtful Accounts" sections of this note.

#### Use of Estimates

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

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# **MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012 AND 2011**

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### **Cash and Cash Equivalents**

For the purposes of the accompanying financial statements, the Hospital considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

The Hospital places its cash and cash equivalents with high credit quality financial institutions. The Hospital periodically maintains cash balances which are in excess of those insured by the Federal Depository Insurance Corporation.

### **Inventories**

Inventories, which consist of pharmaceutical, medical and surgery supplies, are stated at the lower of cost or market determined by the first-in, first-out method.

### **Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation. Depreciation and amortization are provided over the estimated useful lives of the assets using the straight-line method. The Hospital capitalizes all equipment (1) costing more than \$2,000 and (2) having a useful life of two or more years.

### **Patient Accounts Receivable and Net Patient Service Revenue**

The Hospital recognizes net patient service revenues on the accrual basis of accounting in the reporting period in which services are performed based on the current gross charge structure, less actual adjustments and estimated discounts for contractual allowances, principally for patients covered by Medicare, Medicaid, and managed care and other health plans. Gross patient service revenue is recorded in the accounting records using the established rates for the type of service provided to the patient. The Hospital recognizes an estimated contractual allowance to reduce gross patient charges to the estimated net realizable amount for services rendered based upon previously agreed-to rates with a payor. The Hospital utilizes the patient accounting system to calculate contractual allowances on a payor-by-payor basis based on the rates in effect for each primary third-party payor. Another factor that is considered and could further influence the level of the contractual reserves includes the status of accounts receivable balances as inpatient or outpatient. The Hospital's management continually reviews the contractual estimation process to consider and incorporate updates to laws and regulations and the frequent changes in managed care contractual terms that result from contract renegotiations and renewals.

# MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012 AND 2011

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Payors include federal and state agencies, including Medicare and Medicaid, managed care health plans, commercial insurance companies, employers, and patients. These third-party payors provide payments to the Hospital at amounts different from its established rates based on negotiated reimbursement agreements. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and fee schedule payments. Retroactive adjustments under reimbursement agreements with third-party payors are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

### Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts based on the Hospital's evaluation of its major payor sources of revenue, the aging of the accounts, historical losses, current economic conditions, and other factors unique to their service area and the healthcare industry. For receivables associated with self-pay payments, which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the Hospital records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The December 31, 2012 and 2011 allowance for doubtful accounts of \$7,973,000 and \$7,373,000, respectively, relates to reserves for self-pay balances.

The allowance for doubtful accounts represents 90 and 101 percent of self-pay accounts receivable at December 31, 2012 and 2011, respectively. The allowance rate was reduced to 90 percent from 101 percent as a result of an analysis of adjudicated claims payments relating to self-pay activity. The Hospital's self-pay provision for bad debts increased \$837,717 from \$6,013,424 in 2011 to \$6,851,141 in 2012. The increase in the provision for bad debts was a result of increased self-pay revenue. Bad debt allowances at December 31, 2012 increased due to the increased balance of self-pay accounts at year end.

The Hospital does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant write-offs from third-party payors.

# **MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012 AND 2011**

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### Physician Recruitment Agreements and Physician Advances Receivable

Consistent with the Hospital's policy on physician relocation and recruitment, the Hospital provides income guarantees to certain physicians who agree to relocate to the community to fill a need in the Hospital's service area and commit to remain in practice for a specified term. Under such agreements, the Hospital is required to make payments to the physicians in excess of amounts earned in their respective practices up to the amount of the income guarantee. Income guarantee periods are generally two years. Such payments are recoverable from the physicians in the event that their commitment period is not met, which is typically three years. The Hospital also advances monies to physicians under various loan agreements. These loans are unsecured and are forgiven systematically in accordance with the loan agreements. Should the arrangement between the Hospital and the physician be terminated prior to the end date agreed upon by both parties, the Hospital will pursue collection of any outstanding advances.

The Hospital recorded a liability for guarantees of approximately \$263,000 and \$261,000 in other liabilities at December 31, 2012 and 2011 for the estimated obligation to the Hospital under these arrangements with an offsetting asset recorded in prepaid expenses and other within the accompanying balance sheet.

### Income Taxes

The Hospital is exempt from income taxes under Section 501(c)(3) of the United States Internal Revenue Code. Accordingly, no provision for income taxes has been recorded in the financial statements.

The Hospital has filed its federal and state income tax returns for periods through December 31, 2011. These income tax returns are generally open to examination by the relevant taxing authorities for a period of three years from the later of the date the return was filed or its due date (including approved extensions).

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Hospital and recognize a tax liability if the Hospital has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by the Hospital, and has concluded that as of December 31, 2012 and 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying financial statements. The Hospital is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.



# MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012 AND 2011

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### Excess of Revenues over Expenses

The statements of operations and changes in net assets include excess of revenues over expenses as its performance indicator. Included in excess of revenues over expenses/change in unrestricted net assets are investment income, unrestricted gifts and gain on disposal of assets.

### Charity Care

The Hospital provides care without charge or at amounts less than its established rates to patients who meet certain criteria under its charity care policy. Because the Hospital does not collect amounts deemed to be charity care, they are not reported as revenue.

Of the Hospital's total reported expenses (approximately \$55,063,000 and \$56,366,000 during 2012 and 2011, respectively), an estimated \$990,000 and \$867,000 arose from providing services to charity patients during 2012 and 2011, respectively. The estimated costs of providing charity services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on the Hospital's total expenses divided by gross patient service revenue. The Hospital participates in the Hospital Care Assurance Program which provides for additional payments to hospitals that provide a disproportionate share of uncompensated services to the indigent and uninsured. Net amounts paid under this program totaled approximately \$91,000 and \$58,000 for 2012 and 2011, respectively.

### Concentrations of Credit Risk

The Hospital grants credit without collateral to patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payers in 2012 and 2011 follows:

	2012		2011	
	Accounts Receivable	Gross Revenue	Accounts Receivable	Gross Revenue
Commercial	34%	45%	35%	47%
Medicare	22%	39%	27%	38%
Medicaid	10%	9%	10%	9%
Self-pay	34%	7%	28%	6%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

# MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012 AND 2011

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### Electronic Health Records (EHR) Incentive Payments

The Hospital receives EHR incentive payments under the Medicare program. To qualify for these payments, the Hospital must meet "meaningful use" criteria that become more stringent over time. The Hospital periodically submits and attests to its use of certified EHR technology, satisfaction of meaningful use objectives, and various patient data. These submissions generally include performance measures for each annual EHR reporting period (ending on September 30<sup>th</sup>). The related EHR incentive payments are paid out over a four year transition schedule and are based upon data that is captured in the Hospital's cost reports. The payment calculation is based upon an initial amount as adjusted for discharges, Medicare utilization using inpatient days multiplied by a factor of total charges excluding charity care to total charges, and a transitional factor that ranges from 100% in first payment year and thereby decreasing by 25% each payment year until it is completely phased out in the fifth year.

The Hospital recognizes EHR incentive payments as grant income when there is reasonable assurance that the Hospital will comply with the conditions of the meaningful use objectives and any other specific grant requirements. In addition, the financial statement effects of the grants must be both recognizable and measurable. During 2012 and 2011, the Hospital recognized approximately \$1,008,000 and \$0, respectively, in EHR incentive payments as grant income using the cliff recognition method. Under the cliff recognition method, the Hospital records income at the end of EHR reporting period in which compliance is achieved. EHR incentive income is included in other revenue in the statements of operations and changes in net assets. EHR incentive income recognized is based on management's estimate and amounts are subject to change, with such changes impacting operations in the period the changes occur.

Receipt of these funds is subject to the fulfillment of certain obligations by the Hospital as prescribed by the program, subject to future audits and may be subject to repayment upon a determination of noncompliance.

### Reclassifications

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

### Subsequent Events

The Hospital has evaluated events or transactions occurring subsequent to the balance sheet date for recognition and disclosure in the accompanying financial statements through the date the financial statements are issued, which is April 25, 2013.

# MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012 AND 2011

### 2. NET PATIENT SERVICE REVENUES

Total gross patient service revenues, contractual adjustments and allowances and charity care for the years ended December 31, were as follows:

	2012	2011
Gross patient service revenue		
Inpatient revenue	\$ 35,912,457	\$ 37,289,063
Outpatient revenue	92,030,902	92,162,447
Total gross patient service revenue	127,943,359	129,451,510
Deductions from revenue		
Contractual allowances	65,880,013	65,396,045
Charity care	2,300,662	1,990,178
Provision for bad debts	6,851,141	6,013,424
Total deductions from revenue	75,031,816	73,399,647
Total net patient service revenue	\$ 52,911,543	\$ 56,051,863

The Hospital provides charity care to patients who meet certain criteria under the Hospital's charity care policy without charge or at amounts less than established rates.

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

#### Medicare

Inpatient acute care services rendered to Medicare program beneficiaries and defined capital costs related to Medicare beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classifications system that is based on clinical, diagnostic, and other factors. Medicare outpatient services are primarily paid on a prospective basis. The Hospital's Medicare cost reports have been audited and finalized by the Medicare fiscal intermediary through December 31, 2007.

#### Medicaid

Inpatient and outpatient services rendered to the Ohio Medicaid program beneficiaries are paid at prospectively determined rates per case of services. Capital related costs are reimbursed on a reasonable cost basis. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicaid fiscal intermediary. The Hospital's Medicaid cost reports have been audited and finalized by the Medicaid fiscal intermediary through December 31, 2006. Inpatient and outpatient services rendered to the Indiana Medicaid program beneficiaries are reimbursed under prospectively determined rates per discharge and standard flat fees based on services provided, respectively.

# **MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012 AND 2011**

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Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. Compliance with such laws and regulations can be subject to regulatory action including fines, penalties and exclusions from Medicare and Medicaid programs.

### **3. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The frame work for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Hospital has the ability to access.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

There were no transfers between hierarchy levels during 2012 or 2011. The Hospital's policy is to recognize transfers, if any, between levels as of the actual date of the event or change in circumstances.

Following is a description of the valuation methodologies used for assets measured at fair value as of December 31, 2012, there were no investments as of December 31, 2011.

# MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012 AND 2011

*Mutual Funds:* Valued at the daily closing prices as reported by the fund. Mutual funds held by the Hospital are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Hospital are deemed to be actively traded.

*Corporate Bonds:* Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Assets measured at fair value on a recurring basis as of December 31, 2012 are as follows:

	Level 1	Level 2	Level 3	Total
Assets:				
Fixed income mutual funds	\$ 655,824	\$ -	\$ -	\$ 655,824
Financial services sector corporate bonds	-	26,322	-	26,322
Total assets at fair value	<u>\$ 655,824</u>	<u>\$ 26,322</u>	<u>\$ -</u>	<u>\$ 682,146</u>

### 4. ASSETS WHOSE USE IS LIMITED

The composition of assets whose use is limited as of December 31, 2012 and 2011 is set forth in the following table:

	2012	2011
Cash and cash equivalents	\$ 315,456	\$ -
Mutual funds	655,824	-
Corporate bonds	26,322	-
	<u>\$ 997,602</u>	<u>\$ -</u>

# MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012 AND 2011

### 5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2012	2011
Land and improvements	\$ 2,035,419	\$ 2,035,419
Buildings	30,827,903	30,483,604
Equipment	40,873,939	39,829,167
Total	73,737,261	72,348,190
Accumulated depreciation	(48,160,763)	(43,821,722)
Construction in progress	558,708	330,451
Property and equipment, net	<u>\$ 26,135,206</u>	<u>\$ 28,856,919</u>

### 6. LONG-TERM DEBT

Long-term debt consists of the following at December 31:

	2012	2011
Health Care Facilities Revenue and Refunding bonds, Series A, with monthly payments of \$195,658; interest at 4.35% through September 2014, balloon payment of \$8,313,120 due September 29, 2014	\$ 11,654,157	\$ 13,452,362
Health Care Facilities Revenue and Refunding Bonds, Series B, with monthly payments of \$49,267; interest at 4.40% through September 2014, balloon payment of \$2,649,173 due September 29, 2014	3,447,268	3,876,532
	15,101,425	17,328,894
Less current portion	(2,326,463)	(2,227,470)
Noncurrent portion	<u>\$ 12,774,962</u>	<u>\$ 15,101,424</u>

# MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012 AND 2011

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During 2009, the Hospital issued \$17,223,844 in Health Care Facilities Revenue Refunding Bonds Series A, and \$4,776,156 in Health Care Facilities Revenue Refunding Bonds Series B, with fixed interest rates of 4.35% and 4.40%, respectively. The bonds were issued to refund the 1996 Master Lease Purchase agreement, the 2003 Lease Purchase agreement, the 2006 Master Lease Purchase agreement, and the 2007 Master Lease Purchase agreement totaling \$20,058,735. The 2009 issue also provided approximately \$2 million in funds for future capital projects. The Hospital has pledged to the bond trustee a security interest in all present and future gross receipts as well as mortgage on the property. The net book value of the secured assets is approximately \$26,124,000.

The Hospital is bound by the terms of the Master Trust Indenture to various operational and financial covenants. The Hospital is subject to certain restrictive covenants with respect to days cash on hand, fixed charge ratio and debt to capitalization ratio. The Hospital was not in compliance with the fixed charge ratio covenant as of December 31, 2012. The Hospital obtained a waiver from the respective lending institution.

As of December 31, 2012, future payments on the long-term debt are as follows:

2013	\$ 2,326,463
2014	12,774,962
Total	<u>\$ 15,101,425</u>

### 7. PENSION PLAN

The Hospital sponsors a defined contribution plan covering substantially all employees. Net pension cost including administrative expenses related to this plan was approximately \$333,000 and \$343,000 in 2012 and 2011, respectively.

### 8. PROFESSIONAL LIABILITY INSURANCE

The Hospital maintains professional liability insurance coverage with a commercial insurance carrier. The policy covers losses of \$1,000,000 individually and \$3,000,000 in the aggregate. In addition, the Hospital maintains commercial excess liability insurance with limits of \$5,000,000 per occurrence and in the annual aggregate. Management believes claims outstanding against the Hospital at December 31, 2012 are adequately covered by commercial insurance.

# MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012 AND 2011

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### 9. FUNCTIONAL EXPENSES

The Hospital provides general health care services to residents within its geographic region. Healthcare program and general and administrative expenses at December 31, 2012 and 2011 follows:

	2012	2011
Healthcare program services	\$ 48,460,309	\$ 49,795,517
General and administrative services	6,602,691	6,570,507
	<u>\$ 55,063,000</u>	<u>\$ 56,366,024</u>

The costs of providing the programs and services of the Hospital have been summarized on a functional basis in the above table. Accordingly, certain costs have been allocated among the program services and supporting activities benefited, based on staff time and actual usage. Although the methods used were appropriate, other methods may provide different results.

### 10. RELATED ORGANIZATION

The McCullough-Hyde Memorial Hospital Trust (the "Trust") was organized to provide financial support to the Hospital. The Board of Trustees of the Trust determines the amount of support to be provided, as well as how the funds are to be used.

Amounts due from the Trust approximated \$1,913,000 and \$1,680,000 at December 31, 2012 and 2011, respectively.

Summarized financial information of the Trust for the years ended December 31 follows:

	2012	2011
Assets	\$ 11,256,494	\$ 10,167,153
Liabilities	1,936,390	1,701,503
Net assets	9,320,104	8,465,650
Unrestricted revenues and other support	1,245,699	(126,278)
Unrestricted expenses	490,237	562,746
Change in unrestricted net assets	755,462	(689,024)
Change in temporary restricted net assets	11,155	(46,487)
Change in permanently restricted net assets	87,837	50,515



# MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012 AND 2011

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### 11. PURCHASE COMMITMENTS

During 2012, the Hospital entered into a contract with Roche Diagnostics Corporation (Roche) that begins in 2013. Under the term of the contract, the Hospital received equipment at no cost and is required to purchase approximately \$2,261,000 in supplies from Roche over a seven year period.

### 12. COMMITMENTS

The Hospital leases space and equipment for various purposes with Ross Medical Complex being the most significant, with terms ranging from 3 to 15 years.

Future annual minimum lease payments under the leases are as follows:

2013	\$ 1,089,052
2014	779,021
2015	729,572
2016	622,155
2017	621,991
Thereafter	<u>2,317,604</u>
Total	<u>\$ 6,159,395</u>

Rental expense for the Hospital was \$1,380,539 and \$1,506,851 during December 31, 2012 and 2011, respectively.

### 13. CONTINGENCIES

There are a variety of legal proceedings and claims by others against the Hospital in a variety of matters arising out of the conduct of the Hospital's business. The ultimate resolution of such claims would not, in the opinion of management, have a material adverse effect on the financial statements.

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

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

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

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

		Enter filer's identifying number, see instructions
Type or print  File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions	Employer identification number (EIN) or
	<b>MCCULLOUGH-HYDE MEMORIAL HOSPITAL</b>	<b>31-0650283</b>
	Number, street, and room or suite no. If a P.O. box, see instructions	Social security number (SSN)
	<b>110 NORTH POPLAR STREET</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	<b>OXFORD, OH 45056</b>	

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

**01**

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

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

**JAMES MILLER**

- The books are in the care of **110 NORTH POPLAR STREET - OXFORD, OH 45056-1292**

Telephone No **(513) 524-5310**

FAX No

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

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

**4** I request an additional 3-month extension of time until **NOVEMBER 15, 2013**

**5** For calendar year **2012**, or other tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

**6** If the tax year entered in line 5 is for less than 12 months, check reason ☐ Initial return ☐ Final return

☐ Change in accounting period

**7** State in detail why you need the extension

**ADDITIONAL TIME IS REQUIRED TO OBTAIN INFORMATION NECESSARY TO PREPARE A COMPLETE AND ACCURATE RETURN.**

<b>8a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>8a</b>	\$	<b>0.</b>
<b>b</b> If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	<b>8b</b>	\$	<b>0.</b>
<b>c</b> <b>Balance due.</b> Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>8c</b>	\$	<b>0.</b>

**Signature and Verification must be completed for Part II only.**

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

Signature

Title **VICE PRESIDENT/CFO**

Date

Form **8868** (Rev. 1-2013)