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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 01-01-2012 , 2012, and ending 12-31-2012

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
University Medical Center Inc
DBA UNIVERSITY OF LOUISVILLE HOSPITAL

Doing Business As
UNIVERSITY OF LOUISVILLE HOSPITAL

Number and street (or P O box if mail is not delivered to street address) | Room/suite
530 SOUTH JACKSON STREET
Suite

City or town, state or country, and ZIP + 4
LOUISVILLE, KY 40202

D Employer identification number
61-1293786

E Telephone number
(502) 562-3621

G Gross receipts $ 471,668,098

F Name and address of principal officer
James Taylor
530 South Jackson
Louisville, KY 40202

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 UOFLHEALTHCARE ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1995

M State of legal domicile KY

Part I Summary

1 Briefly describe the organization's mission or most significant activities
To provide patient care to our community and to serve as a major TEACHING HOSPITAL FOR EDUCATION AND TRAINING IN MEDICINE, DENTISTRY, NURSING, AND ALLIED HEALTH PROFESSIONS

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	13
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	13
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	**5**	3,315
6	Total number of volunteers (estimate if necessary)	**6**	500
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	21,733
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	14,632

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	0	0
9	Program service revenue (Part VIII, line 2g)	431,058,159	447,093,224
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	595,395	705,264
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	18,607,903	23,318,585
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	450,261,457	471,117,073
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	232,663	262,505
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	175,468,403	179,729,145
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	283,389,255	283,228,851
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	459,090,321	463,220,501
19	Revenue less expenses Subtract line 18 from line 12	-8,828,864	7,896,572

Revenue

Expenses

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	339,359,007	325,142,314
21	Total liabilities (Part X, line 26)	181,199,616	158,837,626
22	Net assets or fund balances Subtract line 21 from line 20	158,159,391	166,304,688

Net Assets or Fund Balances

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: 2013-11-15

KENNETH P MARSHALL PRESIDENT
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶ ERNST & YOUNG US LLP			Firm's EIN ▶	
Firm's address ▶ 41 SOUTH HIGH STREET SUITE 1100 COLUMBUS, OH 43215			Phone no (614) 224-5678	

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

To Provide patient care to our community and to serve as a major TEACHING HOSPITAL FOR EDUCATION AND TRAINING IN MEDICINE, DENTISTRY, NURSING, AND ALLIED HEALTH PROFESSIONS

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 $ 359,706,040 including grants of $ 262,505) (Revenue $ 468,414,425)

University Medical Center operates the University of Louisville Hospital, which is a teaching facility hospital designated as a regional trauma center and provides care to the medically needy regardless of their ability to pay See schedule O for a detailed description

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

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

4d Other program services (Describe in Schedule O)

(Expenses $ 0 including grants of $ 0) (Revenue $ 0)

4e **Total program service expenses** ▶ 359,706,040

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2		No
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
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? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c	Yes	
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b		No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	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? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	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? *If "Yes," complete Schedule L, Part II*	**26**	Yes	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**		No
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**		No
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)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V . . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	340		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	3,315		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a** 13		
	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			
b	Enter the number of voting members included in line 1a, above, who are independent	**1b** 13		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**		No
6	Did the organization have members or stockholders?	**6**		No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**		No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	**8a**	Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**		No

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

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

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶ KY , NC

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☐ 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 ▶ CAROL HUGHES 530 South Jackson Street Louisville, KY (502) 562-4151

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, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted 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			
See Additional Data Table										

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 dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								4,162,606	0	803,619

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 ▶ 152

			Yes	No
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*	**3**		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**4**	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	**5**		No

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
University of Louisville , 323 East Chestnut Street LOUISVILLE KY 40292	healthcare services	29,097,108
Crothall Healthcare Inc , 955 Chesterbrook Blvd Ste 300 WAYNE PA 19087	Environmental svcs	5,383,929
Morrison Management Specialist , PO Box 102289 ATLANTA GA 303682289	Food Services	4,916,323
UL Research Fund Inc , Division of Cardothoracic Surgery LOUISVILLE KY 40621	Healthcare Services	4,654,314
Univ Anesthesia Assn PSC , Dept 52519 PO Box 950123 LOUISVILLE KY 40295	HEALTHCARE SERVICES	3,331,526
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 ▶ 41		

Part VIII Statement of Revenue

Check 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
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . . 1a				
	b	Membership dues 1b				
	c	Fundraising events 1c				
	d	Related organizations . . . 1d				
	e	Government grants (contributions) 1e				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f				
	g	Noncash contributions included in lines 1a-1f $				
	h	**Total.** Add lines 1a-1f . . . . . ▶	0			
Program Service Revenue			Business Code				
	2a	Patient Service Revenue	621500	447,056,431	447,056,431		
	b	Premier Purchasing Partners K-1	561000	30,924	18,181	12,743	
	c	UHC Patronage Dividend	900099	5,869	5,869		
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		447,093,224			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		255,778			255,778
	4	Income from investment of tax-exempt bond proceeds . . ▶		494,876			494,876
	5	Royalties . . . . . ▶		0			
			(i) Real	(ii) Personal			
	6a	Gross rents	352,709				
	b	Less rental expenses	477,007				
	c	Rental income or (loss)	-124,298	0			
	d	Net rental income or (loss) . . . . . ▶		-124,298			-124,298
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory		28,628			
	b	Less cost or other basis and sales expenses		74,018			
	c	Gain or (loss)		-45,390			
	d	Net gain or (loss) . . . . . ▶		-45,390			-45,390
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from fundraising events . . ▶		0			
	9a	Gross income from gaming activities See Part IV, line 19 . . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities . . ▶		0			
	10a	Gross sales of inventory, less returns and allowances . a					
	b	Less cost of goods sold . . b					
	c	Net income or (loss) from sales of inventory . . ▶		0			
		Miscellaneous Revenue	Business Code				
	11a	Pharmacy	446110	18,543,420	18,543,420		
	b	Cafeteria Sales	722210	2,112,692			2,112,692
	c	Reference Lab	621500	572,248	563,258	8,990	
	d	All other revenue		2,214,523	2,214,523		
	e	**Total.** Add lines 11a–11d . . . . . ▶		23,442,883			
	12	**Total revenue.** See Instructions . . . . . ▶		471,117,073	468,401,682	21,733	2,693,658

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	262,505	262,505		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	4,016,524	4,016,524		
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	140,366,465	122,539,800	17,826,665	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,735,652	1,735,652		
9 Other employee benefits	22,937,570	22,931,570	6,000	
10 Payroll taxes	10,672,934	9,452,938	1,219,996	
11 Fees for services (non-employees)				
a Management	157,289	8,933	148,356	
b Legal	5,090,508		5,090,508	
c Accounting	236,539		236,539	
d Lobbying	32,304	32,304		
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	0			
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	89,627,297	46,627,929	42,999,368	
12 Advertising and promotion	2,920,261	8,973	2,911,288	
13 Office expenses	5,212,410	4,052,643	1,159,767	
14 Information technology	9,644,110	55,210	9,588,900	
15 Royalties . .	0			
16 Occupancy	15,107,366	9,013,436	6,093,930	
17 Travel	366,675	256,744	109,931	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	442,922	366,923	75,999	
20 Interest	3,191,639		3,191,639	
21 Payments to affiliates	11,000,000	11,000,000		
22 Depreciation, depletion, and amortization	18,080,431	18,080,431		
23 Insurance	3,536,641		3,536,641	
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	92,129,863	92,129,863		
b Repairs and Maintenance	8,431,311	8,167,440	263,871	
c BAD DEBT	7,828,097	7,828,097		
d PROVIDER AND PROPERTY TAX	7,505,008		7,505,008	
e All other expenses	2,688,180	1,138,125	1,550,055	
25 **Total functional expenses.** Add lines 1 through 24e	463,220,501	359,706,040	103,514,461	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
Assets	1	Cash—non-interest-bearing		32,470,412	1	60,652,844
	2	Savings and temporary cash investments		34,884,828	2	31,927,008
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		98,846,254	4	77,369,641
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		1,055,500	5	1,333,000
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		7,653,772	8	9,125,462
	9	Prepaid expenses and deferred charges		6,345,280	9	5,920,666
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 244,114,093			
	b	Less accumulated depreciation	10b 143,573,230	104,632,292	10c	100,540,863
	11	Investments—publicly traded securities		0	11	0
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		32,800,067	13	31,150,010
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		20,670,602	15	7,122,820
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		339,359,007	16	325,142,314
Liabilities	17	Accounts payable and accrued expenses		64,779,499	17	53,828,302
	18	Grants payable		0	18	0
	19	Deferred revenue		25,598,272	19	27,155,882
	20	Tax-exempt bond liabilities		59,250,501	20	53,105,836
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		3,437,926	23	3,449,093
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		28,133,418	25	21,298,513
	26	**Total liabilities.** Add lines 17 through 25		181,199,616	26	158,837,626
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		157,806,754	27	166,304,688
	28	Temporarily restricted net assets		352,637	28	0
	29	Permanently restricted net assets		0	29	0
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		158,159,391	33	166,304,688
	34	Total liabilities and net assets/fund balances		339,359,007	34	325,142,314

Part XI Reconcilliation 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	471,117,073
2	Total expenses (must equal Part IX, column (A), line 25)	2	463,220,501
3	Revenue less expenses Subtract line 2 from line 1	3	7,896,572
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	158,159,391
5	Net unrealized gains (losses) on investments	5	172,978
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	75,747
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	166,304,688

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

Additional Data

Software ID:

Software Version:

EIN: 61-1293786

Name: University Medical Center Inc
DBA UNIVERSITY OF LOUISVILLE HOSPITAL

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted 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			
Gerard J Anderson Director / Board of Directors	10 00	X								
Phillip Bond Director / Board of Directors	10 00	X								
Joan Coleman Director / Board of Directors	10 00	X								
Martha Neal Cooke Director / Board of Directors	10 00	X								
David L Dunn MD PhD Director / Board of Directors	10 00	X								
Toni Ganzel MD Director / Board of Directors	10 00	X								
Robert C Hughes MD Director / Board of Directors	10 00	X								
Charlie Johnson Director / Board of Directors	10 00	X								
Kelly M McMasters MD PhD Director / Board of Directors	10 00	X								
Debra M Murphy Director / Board of Directors	10 00	X								
Robert W Rounsavall III Director / Board of Directors	10 00	X								
Sandy Metts Snowden Director / Board of Directors	10 00	X								
Lindy B Street Director / Board of Directors	10 00	X								
KEITH DAVIS DIRECTOR (UNTIL 11/2012)	10 00	X								
EDWARD HALPERIN MD DIRECTOR (UNTIL 1/2012)	10 00	X								
J BLAINE HUDSON PHD DIRECTOR (UNTIL 8/2012)	10 00	X								
Mary Jane Adams Senior VP & CNO	40 0 00			X				271,922		49,424
Robert P Barbier Senior VP & CFO	40 0 00			X				403,454		35,019
Kenneth P Marshall Senior VP & COO	40 0 00			X				364,056		45,838
Norma Racine Secretary	40 0 00			X				94,079		13,249
James H Taylor President & CEO	40 0 00			X				596,020		317,726
Stephen S Amsler VP Facilities & Planning	40 0 00				X			189,283		26,127
Gary E Bensing VP Human Resources	40 0 00				X			310,279		43,619
Donald B Kupper VP Supply Chain	40 0 00				X			259,799		37,180
Linda Kay Lloyd VP Operations Improvement	40 0 00				X			230,601		35,826

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted 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			
Troy A May Chief Information officer	40 0 0 0				X			288,559		43,455
Stephen J McGuire VP Compliance & Ethics	40 0 0 0				X			197,424		27,402
PATRICIA ANN MELVIN VP BROWN CANCER CENTER	40 0 0 0				X			124,625	0	11,557
Timothy C Baize Pharmacist	47 0 0 0					X		167,708		26,980
Jessie Morgan Pharmacy Manager	40 0 0 0					X		161,225		18,714
Harry Kahne Pharmacy Manager	55 0 0 0					X		159,948		27,970
Paul D Mangino Pharmacy Manager	51 0 0 0					X		179,225		27,493
Amey Hugg Pharmacy Manager	40 0 0 0					X		164,399		16,040

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
University Medical Center Inc
DBA UNIVERSITY OF LOUISVILLE HOSPITAL

Employer identification number
61-1293786

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?

		Yes	No
(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?	**11g(i)**		
(ii) A family member of a person described in (i) above?	**11g(ii)**		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	**11g(iii)**		

h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1 - 9 above 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	
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (see instructions) **12**

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2011 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2012.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2011.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2012.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶☐

Part 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
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6)						

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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 ▶☐

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

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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

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

OMB No 1545-0047

2012

Open to Public Inspection

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 the organization	Employer identification number
University Medical Center Inc DBA UNIVERSITY OF LOUISVILLE HOSPITAL	61-1293786

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $ _____

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

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

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ 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
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		32,304
j	Total Add lines 1c through 1i			32,304
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
LOBBYING ACTIVITIES INFORMATION	Schedule C, Part II-B, 1i	University Medical Center paid membership dues to the Kentucky Hospital Association and American Hospital Association of which $22,602 and $9,702, respectively was related to lobbying activities

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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
University Medical Center Inc
DBA UNIVERSITY OF LOUISVILLE HOSPITAL

Employer identification number
61-1293786

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? ☐ Yes ☐ 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? ☐ Yes ☐ 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)
☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

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

		Held at the End of the 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

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

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ 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.

		(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	14,746,097	14,726,997	14,697,044	14,615,749	17,512,144
b	Contributions					525,000
c	Net investment earnings, gains, and losses	21,680	19,100	29,953	81,295	495,369
d	Grants or scholarships					
e	Other expenditures for facilities and programs					3,916,764
f	Administrative expenses					
g	End of year balance	14,767,777	14,746,097	14,726,997	14,697,044	14,615,749

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

- a Board designated or quasi-endowment ▶ 100 000 %
- 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

		Yes	No
(i) unrelated organizations	3a(i)		No
(ii) related organizations	3a(ii)		No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	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				
b Buildings		106,184,799	48,009,227	58,175,572
c Leasehold improvements		2,157,896	1,199,357	958,539
d Equipment		133,668,491	94,364,646	39,303,845
e Other		2,102,907		2,102,907
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				100,540,863

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		
Other		
Total. *(Column (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) INVESTMENT IN KMRRRG	300,000	F
(2) INVESTMENT IN PREMIER, INC	576,879	F
(3) MONEY MARKET FUNDS	3,330,718	F
(4) GUARANTEED INVESTMENT CONTRACT	7,837,430	F
(5) UHC PASSPORT	1,313,250	F
(6) SELF INSURANCE TRUST	2,823,955	F
(7) FUNDED DEPRECIATION	14,767,778	F
(8) Investment in Cyberknife	200,000	F
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13)* ▶	31,150,010	

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

(a) Description	(b) Book value
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

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

1 (a) Description of liability	(b) Book value
Federal income taxes	0
RESERVE FOR MALPRACTICE	6,954,904
RESERVE-WORKERS COMP CLAIMS	2,132,138
RESERVE - D&O CLAIMS	125,500
ARBITRAGE FUNDS	21,667
PASSPORT GRANT REFUND	1,064,000
ESCHEAT PROPERTY	304
UMC Affiliation Agreement Payable	11,000,000
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	21,298,513

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

1	Total revenue, gains, and other support per audited financial statements			1	463,279,704
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	-7,828,097		
e	Add lines **2a** through **2d**			2e	-7,828,097
3	Subtract line **2e** from line **1**			3	471,107,801
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b	9,272		
c	Add lines **4a** and **4b**			4c	9,272
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	471,117,073

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

1	Total expenses and losses per audited financial statements			1	455,869,411
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII)	2d	477,007		
e	Add lines **2a** through **2d**			2e	477,007
3	Subtract line **2e** from line **1**			3	455,392,404
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b	7,828,097		
c	Add lines **4a** and **4b**			4c	7,828,097
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	463,220,501

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

Identifier	Return Reference	Explanation
Intended use of organization's endowment funds	Schedule D, Part V, line 4	The intended use of the endowment funds is for future capital No specific project has been determined at this time
Note Regarding ASC 740 (Formerly Fin 48)	Schedule D, Part X, Line 2	University Medical Center, Inc adopted Fin 48 in 2007 No disclosures were required under GAAP as university Medical Center, Inc does not have any material tax contingencies that required disclosures in the footnotes
Reconciliation of Revenue	Schedule D, Part XI, Line 2d	Provision for Bad Debts $7,828,097 SCHEDULE D, PART XI, LINE 4B EXPENSE RELATED TO RENTAL INCOME ($477,007) PREMIER K-1 $12,743 RESTRICTED INTEREST $494,876 JOINT VENTURE $24,050 GAIN/LOSS ($45,390) rounding ($1) ---------- TOTAL $9,272
Reconciliation of Expenses	Schedule D, Part XII, Line 2d	Rent Expense Netted With revenue on 990, expensed on AFS $477,007 Schedule D, Part XIII, Line 4b Provision for Bad Debts $7,828 097

Additional Data

Software ID:

Software Version:

EIN: 61-1293786

Name: University Medical Center Inc
DBA UNIVERSITY OF LOUISVILLE HOSPITAL

Form 990, Schedule D, Part VIII - Investments— Program Related

(a) Description of investment type	**(b)** Book value	**(c)** Method of valuation Cost or end-of-year market value
(1) INVESTMENT IN KMRRRG	300,000	F
(2) INVESTMENT IN PREMIER, INC	576,879	F
(3) MONEY MARKET FUNDS	3,330,718	F
(4) GUARANTEED INVESTMENT CONTRACT	7,837,430	F
(5) UHC PASSPORT	1,313,250	F
(6) SELF INSURANCE TRUST	2,823,955	F
(7) FUNDED DEPRECIATION	14,767,778	F
(8) Investment in Cyberknife	200,000	F

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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
University Medical Center Inc
DBA UNIVERSITY OF LOUISVILLE HOSPITAL

Employer identification number
61-1293786

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☐ 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 _____ %	3a	Yes	
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 _____ %	3b	Yes	
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"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			83,248,137	67,665,798	67,665,798	3 420 %
b Medicaid (from Worksheet 3, column a)			90,753,145	74,430,203	16,322,942	3 580 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			0	0	0	0 %
d **Total** Financial Assistance and Means-Tested Government Programs			174,001,282	142,096,001	83,988,740	7 000 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			15,405,286	155,941	15,249,345	3 350 %
f Health professions education (from Worksheet 5)			92,209,976	33,991,251	58,218,725	12 780 %
g Subsidized health services (from Worksheet 6)			0	0	0	0 %
h Research (from Worksheet 7)			220,133	26,533	193,600	0 040 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			3,072,130	0	3,072,130	0 670 %
j **Total.** Other Benefits			110,907,525	34,173,725	76,733,800	16 840 %
k **Total.** Add lines 7d and 7j			284,908,807	176,269,726	160,722,540	23 840 %

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

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

Part III **Bad Debt, Medicare, & Collection Practices**

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	1,595,522		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3	759		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	88,007,249		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	75,669,087		
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	12,338,162		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

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

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1 NA				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year?
1

	Name, address, and primary website address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	university of louisville hospital 530 s jackson street louisville, OH 40202 http //www uoflhealthcare org/	X	X		X			X			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group university of louisville hospital

For single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A) 1

			Yes	No
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	1		
	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	3		
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	4		
5	Did the hospital facility make its CHNA report widely available to the public?	5		
	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	7		
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)?	8a		
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b		
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? $___			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 100% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 200 % If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☑ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
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?	**15**	Yes	
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 the patient's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ 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?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			

Part V Facility Information *(continued)*

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

		Yes	No
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?	**19**	Yes	
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 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?	**21**		No
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?	**22**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

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

	Name and address	Type of Facility (describe)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, 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

Identifier	ReturnReference	Explanation
COMMUNITY BENEFIT REPORT	PART I, LINE 6A	The community benefit report is posted to the organizations' web site
FINANCIAL ASSISTANCE AND CERTAIN OTHER COMMUNITY BENEFIT AT COST	PART I, LINE 7	The costing methodology is cost-to-charge ratio based on Medicare Cost Report methodology Part I, Line 7, Column (F) Total expenses for the organization as reported on Form 990, Part IX, line 25 is $463,220,501 The bad debt expense reported on Form 990, Part IX, line 24 is $7,828,097 but subtracted for purposes of calculating the percentage in this column

Identifier	ReturnReference	Explanation
BAD DEBT FOOTNOTE, COSTING METHODOLOGY, BAD DEBT AS COMMUNITY BENEFIT	PART III, LINE 4	Bad debts are amounts owed on patients' accounts for services rendered by the hospital that were not anticipated as being uncollectible at the time services were rendered Therefore, such things as policy discounts, charitable services, contractual adjustments, etc must be allowed to remain as part of the patients' account balance to be written off as bad debt Such allowances are handled as patient account adjustments in accordance with the provisions of other financial policies This bad debt expense reported is based on a ratio of patient care cost to charges This method is more appropriate as revenue amounts have a varying relationship to cost, ranging from cost-plus-margin to cost-minus-discount, depending on the various policies and the individual's income level
SHORTFALL AS COMMUNITY BENEFIT AND ITS COSTING METHODOLOGY	PART III, LINE 8	The Medicare government program consists of individuals on fixed incomes Shortfalls on services provided are covered by general funds of the organization

Identifier	ReturnReference	Explanation
COLLECTION POLICY	PART III, LINE 9B	Patients who have qualified for the QCCT (Quality Charity Care Trust) under the term medically needy based on their income, will be allowed reconsideration for full charity Full charity will be given upon verification that they have since become unemployed or that their income has been permanently reduced and they now fall below the federally published poverty guidelines All other accounts will remain as originally processed Accounts written off to the QCCT will not be reported to the credit bureau Accounts receiving write-off as partial indigent/medically needy will be reported at the time of the bad debt write-off
NEEDS ASSESSMENT	PART VI, LINE 2	The organization utilizes national and state data sources to assess the needs of the community and state This data assists the organization in understanding where health care disparities exist for development of programs and partnerships This analysis is performed on a quarterly basis for specific programs

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	PART VI, LINE 3	The organization contracts with an outside firm to review the hospital's patient population to determine their possible qualification for indigent care program coverage, interview and complete the application process for the patients eligible For patients who qualify for assistance, applications are prepared and submitted on their behalf The firm also requests hearings for denied applications or claims
COMMUNITY INFORMATION	PART VI, LINE 4	The University of Louisville Hospital serves the entire adult population of the Commonwealth of Kentucky, concentrating in the Metro Louisville, Jefferson County area, as it is the only adult level I trauma hospital in this region of the state Population in 2011 Jefferson County- 746,906, Kentucky-4,369,356 Median age Jefferson County -37 7 years, Kentucky-35 9 years Median household income in 2011 Jefferson County-$45,440, Kentucky-$41,236 Percentage of residents living in poverty in 2011 Kentucky-13 6% Unemployment in 2011 Jefferson County-10 6%, Kentucky-10 5% Uninsured population (percent adults under age 65) Jefferson County-14%, Kentucky-17% Uninsured child population (percent children under age 19) Jefferson County-77%, Kentucky-9% Prevalence of overweight (percent adults) Jefferson County-34%, Kentucky-33% Prevalence of smoking (percent adults) Jefferson County-24%, Kentucky-27%

Identifier	ReturnReference	Explanation
PROMOTION OF COMMUNITY HEALTH	PART VI, LINE 5	University Medical Center, Inc Board of Directors are comprised of the community's citizens who reside in the organization's primary service area who are neither employees nor contractors of the organization, nor family members thereof University of Louisville Hospital's trauma center is the only level I trauma center in the region and one of the largest trauma facilities in the country With 56,000 square feet, 43 patient bays, 14 trauma/surgical beds, 5 burn unit beds and 49 critical care beds, it can accommodate up to 86 patients simultaneously The center features a dedicated 24-hour operating room and is staffed 24 hours a day by specialized multi-disciplinary trauma teams Education is a key part of the University of Louisville Hospital's mission The Trauma institute at the hospital leads the educational component of the hospital's trauma service In addition to training tomorrow's leading trauma physicians through its residency programs, the Trauma Institute and Burn Unit staff facilitate both community and professional education programs Examples of injury prevention classes Risky Business - A teen drunk-driving prevention program, Straight Talk - A one day educational program for juvenile fire-setters, Boating and Water Safety- Prevention of boating and water accidents and immediate care As the region's leading academic medical center, University of Louisville Hospital is dedicated to advancing treatments and providing rural access to innovative care Amongst the many benefits from the robotic network is a near instant medical consult U of L Physicians work with physicians and nurses in other Kentucky and southern Indiana hospitals to deliver prompt diagnoses and appropriate treatment plans The ultimate goal is for the patient to remain in their hometown hospital without a transfer unless it is deemed necessary
AFFILIATED HEALTH CARE SYSTEM	PART VI, LINE 6	N/A

Identifier	ReturnReference	Explanation
STATE FILING OF COMMUNITY BENEFIT REPORT	PART VI, LINE 7	Kentucky

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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
University Medical Center Inc
DBA UNIVERSITY OF LOUISVILLE HOSPITAL

Employer identification number
61-1293786

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.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code 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
(1) American Heart ASSOCIATION 3455 N High Street Louisville, KY 40202	13-5613797	501c3	10,000				Sponsorships for Heart Walks Sponsorships for Wrapped in Red Gala Sponsorship Red Zone Cycling Sponsorship of Art Show Sponsorship Race for the Cure and Pink Tie Ball Sponsor Oration Lectur/Red Black Ball/Res Olympic Sponsor Depression Conf/Yandell-polk/Mathews Orat
(2) CENTER FOR WOMEN AND FAMILIES 226 W Breckinridge St Louisville, KY 40202	61-0444846	501c3	10,000				Sponsorship/2013 CELEBRATION
(3) MARCH OF DIMES 4802 Sherburn Lane Louisville, KY 40207	13-1846366	501c3	25,000				SPONSORSHIP/MARCH OF BABIES
(4) St James Court ASSOCIATION INC PO Box 3804 Louisville, KY 40201	61-1063002	501c3	10,000				Sponsorship 2010 Employee participation
(5) Susan G Komen Breast Cancer 201 E Main St STE 103 Louisville, KY 40202	75-2855046	501c3	25,000				PINK TIE BALL, RACE FOR THE CURE
(6) ST CATHERINE COLLEGE 310 Xavier Campus BARDSTOWN, KY 40004	61-0846809	501c3	30,000				RESTRICTED GIFT PAYMENT
(7) University of Louisville 323 E Chestnut Street Louisville, KY 40292	61-1029626	501c3	8,333				

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 7

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

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV **Supplemental Information.**

Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information

Identifier	Return Reference	Explanation
Form 990, Schedule I	Description of Organization's Procedures for Monitoring the Use of Grants	Activities that support University Medical Center's (UMC) mission, fundraising events with close relationship to UMC clinical programs, requests that provide positive public awareness of UMC, activities that address and promote health improvement initiative UMC will not contribute to for-profit organizations, individuals, political campaigns/parties, groups that discriminate on the basis of age, race, sex or national origin, activities that do not advance UMC's mission UMC's annual budget will be determined by the Senior Vice President and COO and maintained in the executive offices budget Accounting will not process any payments for contributions to sponsorships unless they have been approved by the Senior Vice President and COO or President and CEO Requests will be entered, tracked and retained for preparing the community benefit report A designated employee will inform requestor of approval/denial Check requests with the President and CEO's or Senior Vice President and COO's approval will be forwarded to Accounting for payment

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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, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
University Medical Center Inc
DBA UNIVERSITY OF LOUISVILLE HOSPITAL

Employer identification number
61-1293786

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate 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			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
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			
	☑ Compensation committee	☐ Written employment contract		
	☑ Independent compensation consultant	☑ Compensation survey or study		
	☐ Form 990 of other organizations	☑ 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?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

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

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

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

Identifier	Return Reference	Explanation
Supplemental Compensation Information		The following individuals participate in a 457(f) Plan Mary J Adams $16,322 Stephen S Amsler $17,269 Robert P Barbier $38,493 Gary E Bensing $27,984 Donald B Kupper $44,019 Linda K Lloyd $21,491 Robert P Manning $11,019 Kenneth P Marshall $49,792 Troy A May $26,317 Stephen J McGuire $13,712 These amounts are included in reportable compensation
Explanation of Deferred Compensation for James H Taylor, CEO	Schedule J, Part II, Column C	Retirement and other deferred compensation for James H Taylor includes $26,445 for employer contribution to a qualified retirement plan and $277,500 premium payment for planned premiums on split dollar serp

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 61-1293786
Name: University Medical Center Inc
DBA UNIVERSITY OF LOUISVILLE HOSPITAL

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Mary Jane Adams	(I)	228,710	27,786	15,426	26,407	23,017	321,346	
	(II)				0	0	0	
Robert P Barbier	(I)	326,938	40,097	36,419	21,571	13,448	438,473	
	(II)				0	0	0	
Kenneth P Marshall	(I)	285,726	31,738	46,593	26,445	19,394	409,895	
	(II)				0	0	0	
James H Taylor	(I)	529,470		66,550	303,945	13,782	913,747	
	(II)				0	0	0	
Stephen S Amsler	(I)	153,583	17,885	17,814	9,670	16,458	215,411	
	(II)				0	0	0	
Gary E Bensing	(I)	274,034		36,245	26,445	17,174	353,898	
	(II)				0	0	0	
Donald B Kupper	(I)	188,728	23,587	47,485	20,380	16,800	296,979	
	(II)				0	0	0	
Linda Kay Lloyd	(I)	184,461	22,386	23,754	23,635	12,191	266,427	
	(II)				0	0	0	
Troy A May	(I)	236,190	28,696	23,673	26,445	17,011	332,015	
	(II)				0	0	0	
Stephen J McGuire	(I)	164,330	19,598	13,496	10,127	17,276	224,827	
	(II)				0	0	0	
Timothy C Baize	(I)	167,448	250	11	15,607	11,374	194,689	
	(II)				0	0	0	
Jessie Morgan	(I)	162,847		-1,622	12,427	6,287	179,939	
	(II)				0	0	0	
Harry Kahne	(I)	165,803		-5,855	12,736	15,233	187,917	
	(II)				0	0	0	
Paul D Mangino	(I)	178,138	750	337	16,048	11,445	206,718	
	(II)				0	0	0	
Amey Hugg	(I)	161,942	3,000	-543	10,045	5,995	180,439	
	(II)				0	0	0	

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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
University Medical Center Inc
DBA UNIVERSITY OF LOUISVILLE HOSPITAL

Employer identification number
61-1293786

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	LouisvilleJefferson County Metro Government	32-0049006		09-05-2008	16,000,000	See Schedule K Part VI		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	0			
2	Amount of bonds legally defeased	0			
3	Total proceeds of issue	16,118,030			
4	Gross proceeds in reserve funds	0			
5	Capitalized interest from proceeds	0			
6	Proceeds in refunding escrows	0			
7	Issuance costs from proceeds	0			
8	Credit enhancement from proceeds	0			
9	Working capital expenditures from proceeds	0			
10	Capital expenditures from proceeds	16,000,000			
11	Other spent proceeds	0			
12	Other unspent proceeds	0			
13	Year of substantial completion	2009			

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X						
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X						
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0%		%		%		%	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6	Total of lines 4 and 5	%		%		%		%	
7	Does the bond issue meet the private security or payment test?		X						
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?		X						
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?		X						

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X						
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X						
b	Exception to rebate?								
c	No rebate due?								
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?		X						
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b	Name of provider	0							
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								

Part IV Arbitrage *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
b	Name of provider	0							
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X						
7	Has the organization established written procedures to monitor the requirements of section 148?		X						

Part V Procedures To Undertake Corrective Action

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

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

Identifier	Return Reference	Explanation
DESCRIPTION OF BOND PURPOSE	0	Schedule K, Part I Essential use of Medical Equipment with depreciable life of 5 or 7 years, lessor

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
University Medical Center Inc
DBA UNIVERSITY OF LOUISVILLE HOSPITAL

Employer identification number
61-1293786

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

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

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	No

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

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

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	No	(h) Approved by board or committee? Yes	No	(i) Written agreement? Yes	No
(1) JAMES H TAYLOR	PRESIDENT & CEO	SPLITDOLLAR LIFE INS		X	277,500	1,333,000		No	Yes		Yes	
Total			▶ $			1,333,000						

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
University Medical Center Inc
DBA UNIVERSITY OF LOUISVILLE HOSPITAL

Employer identification number
61-1293786

Identifier	Return Reference	Explanation
Program Service Accomplishments	Form 990, Part III, Question 4	UNIVERSITY OF LOUISVILLE HOSPITAL HERE AT UNIVERSITY OF LOUISVILLE HOSPITAL AND THE JAMES GRAHAM BROWN CANCER CENTER, WE HAVE A CLEAR VISION TO BE THE HEALTH CARE PROVIDERS OF CHOICE FOR THE MOST ADVANCED, SAFE, COMPREHENSIVE, AND COMPASSIONATE PATIENT- AND FAMILY- CENTERED HEALTH CARE IN THE REGION EACH ONE OF OUR NEARLY 3,000 EMPLOYEES, AS WELL AS THE UNIVERSITY FACULTY PHYSICIANS WHO PRACTICE AND TEACH HERE, ARE DEDICATED TO PROVIDING THE BEST POSSIBLE CARE FOR TODAY'S PATIENTS IN THAT PROCESS, WE ARE ALSO TRAINING PHYSICIANS AND CREATING NEW TREATMENTS THAT WILL BENEFIT TOMORROW'S PATIENTS WE ARE PROUD TO PROVIDE STATE-OF-THE-ART CARE FOR EVERY PATIENT, EVERY TIME, REGARDLESS OF THEIR ABILITY TO PAY WHILE PROVIDING THIS EXCEPTIONAL CARE FOR ALL IN OUR COMMUNITY, WE CONTINUE TO BUILD ON A LEGACY OF EXCELLENCE OUR TRAUMA CENTER - THE FIRST TRAUMA SERVICE IN THE COUNTRY - SETS THE STANDARD OF CARE PROVIDED FOR THIS COMPLEX TREATMENT TO ALL IN ADDITION, THE BROWN CANCER CENTER CONTINUES TO DELIVER THE LATEST MEDICAL ADVANCES WITH COMPASSION AND RESPECT WHILE STRIVING TO BE A LEADER IN ADVANCING CANCER RESEARCH AND TREATMENT FINALLY, WE ARE DEDICATED TO IMPROVING OUR COMMUNITY'S FUTURE HEALTH BEYOND DIRECT PATIENT CARE THIS DEDICATION COMES IN MANY FORMS, SUCH AS INTERVENTION CLASSES FOR AT-RISK YOUTH THROUGH OUR TRAUMA INSTITUTE, INNOVATIVE EDUCATIONAL OPPORTUNITIES FOR CURRENT AND FUTURE PHYSICIANS AND NURSES, AND INCREASED PUBLIC ACCESS TO SCREENINGS THROUGH COMMUNITY OUTREACH ACCESS TO HIGH QUALITY HEALTH CARE IS AT THE HEART OF A HEALTHY COMMUNITY WE HOPE THIS REPORT HELPS YOU UNDERSTAND OUR HISTORIC COMMITMENT AND PLEDGE TO CONTINUE SERVING ALL PATIENTS IN THE FUTURE IT IS OUR PRIVILEGE

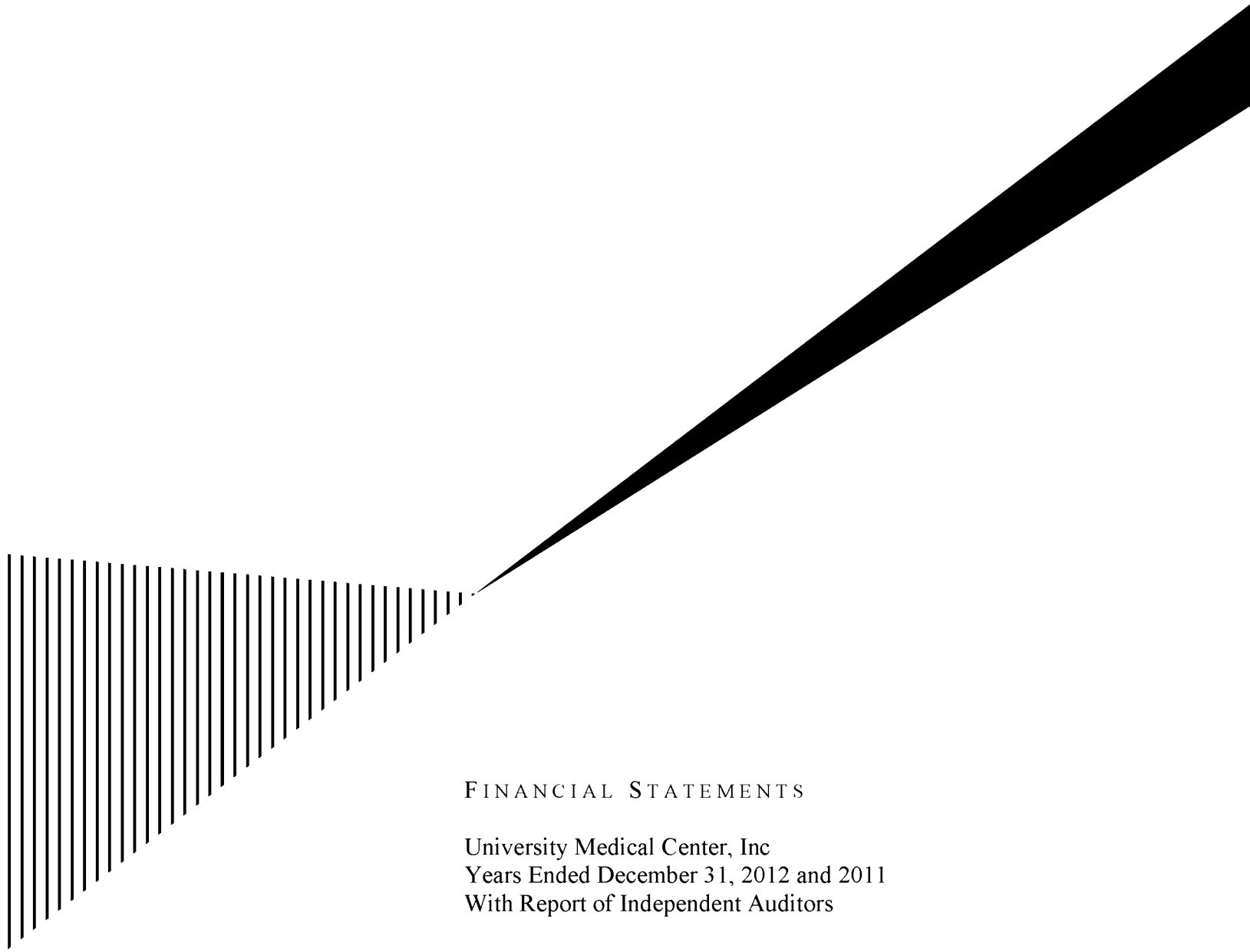
Identifier	Return Reference	Explanation
Describe the process used by management &/or governing body to review 990	Form 990, Part VI, Question 11	NO REVIEW WAS OR WILL BE CONDUCTED BEFORE FILING THE BOARD WILL REVIEW THE 990 AFTER IT HAS BEEN FILED

Identifier	Return Reference	Explanation
Description of Process to monitor transactions for conflicts of Interest	Form 990, Part VI, Question 12C	IT IS THE POLICY OF THE HOSPITAL THAT AN INTERESTED PERSON WHO KNOWS THAT HE OR SHE HAS AN ACTUAL OR APPARENT CONFLICT OF INTEREST SHALL DISCLOSE IT PROMPTLY AND FULLY TO ALL NECESSARY PARTIES WHENEVER IT OCCURS INTERESTED PERSONS ARE A VOTING MEMBERS OF THE HOSPITAL'S BOARD OF DIRECTORS AND VOTING MEMBERS OF COMMITTEES THAT EXERCISE BOARD-DELEGATED AUTHORITY B OFFICERS OF THE HOSPITAL ELECTED OR APPROVED BY THE BOARD OF DIRECTORS C A "CONTROLLED ENTITY" IN WHICH AT LEAST 35% OF THE CONTROL OR BENEFICIAL INTEREST IS HELD BY ANY ONE OR COMBINATION OF INDIVIDUALS DESCRIBED IN A AND B AN INTERESTED PERSON MUST DISCLOSE THE EXISTENCE AND NATURE OF HIS OR HER KNOWN INTEREST IN A PROPOSED TRANSACTION TO THE DIRECTORS AND MEMBERS OF COMMITTEES WITH BOARD DELEGATED POWERS CONSIDERING THE TRANSACTION OR ARRANGEMENT WHEN A CONFLICT OF INTEREST IS DECLARED, THE CHAIRPERSON OF THE BOARD OR COMMITTEE SHALL APPOINT A DISINTERESTED PERSON OR COMMITTEE TO INVESTIGATE THE PROPOSED TRANSACTION The Interested person shall leave the meeting and does not vote on any transaction involving the conflict of interest THE MINUTES OF THE BOARD WILL CONTAIN THE NAMES OF THE PERSONS WHO DISCLOSE OR OTHERWISE WERE FOUND TO HAVE INTEREST IN CONNECTION WITH A CONFLICT OF INTEREST, THE NATURE OF THE INTEREST AND ANY ACTION TAKEN TO DETERMINE THE CONFLICT

Identifier	Return Reference	Explanation
Offices & Positions for which process was used, & year process was begun	Form 990, Part VI, Questions 15a & 15b	COMPENSATION FOR THE CEO IS DETERMINED BY THE BOARD THROUGH A YEARLY PROCESS FOR ALL OTHER EXECUTIVE DIRECTORS, TOP MANAGEMENT OFFICIALS, OFFICERS AND KEY EMPLOYEES, THE FOLLOWING PROCESS IS USED 1) HUMAN RESOURCES (HR) HAS AN INDEPENDENT COMPANY DO A COMPARISON OF LIKE POSITIONS WITHIN THE COMMUNITY AND COME UP WITH A RANGE THEY PREPARE A PROPOSAL THAT IS SUBMITTED TO HR FOR REVIEW 2) A SALARY IS DETERMINED WITHIN THAT RANGE BASED ON YEARS OF SERVICE, EDUCATION AND OTHER FACTORS, SUCH AS ADDITIONAL RESPONSIBILITIES HR PREPARES A PROPOSAL TO SUBMIT TO THE CEO 3) THE PROPOSAL, CONTAINING THE POSITION, RANGE AND FINAL COMPENSATION IS TURNED OVER TO THE CEO FOR REVIEW 4) AFTER REVIEW, THE CEO TAKES THE PROPOSAL INFORMATION AND PRESENTS IT TO THE FINANCE COMMITTEE 5) THE FINANCE COMMITTEE DECIDES AND VOTES ON THE COMPENSATION THE LAST TIME THIS ANALYSIS WAS PERFORMED WAS OCTOBER 2011

Identifier	Return Reference	Explanation
Avail of Gov Docs, conflict of interest policy & fin stmts to gen public	Form 990, Part VI, Question 19	THE GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE ALL AVAILABLE ON THE ORGANIZATION'S WEB SITE. THE INFORMATION CAN ALSO BE REQUESTED VIA EMAIL. FORM 990, PART IX, LINE 11G OTHER EXPENSES Credit & Collection Services 7,177,996 Laundry Services and Cleaning 2,016,611 Mail and copying services 2,409,895 Miscellaneous consulting fees 1,828,705 Non Management Agency 578,105 Outside Direct Department Services 13,118,008 Patient Services from outside sources 8,757,118 Patient Transportation 221,719 Security Services 2,077,844 University House based servies & fees 51,441,296 ---------- TOTAL 89,627,297

Identifier	Return Reference	Explanation
Other Changes in Net Assets or Fund Balances	Form 990, Part XI, Line 9	OTHER CHANGES IN NET ASSETS OR FUND BALANCES CONSIST OF THE FOLLOWING ASSETS RELEASED FROM RESTRICTED FUNDS 75,747



FINANCIAL STATEMENTS

University Medical Center, Inc
Years Ended December 31, 2012 and 2011
With Report of Independent Auditors

Ernst & Young LLP

ERNST & YOUNG

University Medical Center, Inc.

Financial Statements

Years Ended December 31, 2012 and 2011

Contents

Ernst & Young LLP
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Report of Independent Auditors

The Board of Directors
University Medical Center, Inc

We have audited the accompanying financial statements of University Medical Center, Inc , 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 conformity with U S generally accepted accounting principles, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of 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 Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of University Medical Center, Inc at December 31, 2012 and 2011, and the results of its operations and changes in net assets and its cash flows for the years then ended in conformity with U S generally accepted accounting principles

Ernst & Young LLP

May 29, 2013

University Medical Center, Inc.

Balance Sheets

	December 31 2012	2011
	(In Thousands)	
Assets		
Current assets		
Cash and cash equivalents	**$ 60,653**	$ 32,471
Short-term investments	**31,927**	34,885
Patient accounts receivable, less allowance for uncollectible accounts of $2,936 in 2012 and $4,586 in 2011	**69,369**	71,173
Other receivables	**2,178**	22,933
Estimated amounts due from third-party payors	**5,822**	4,742
Inventories	**9,125**	7,654
Prepaid expenses and other	**5,921**	6,344
Assets limited as to use which are available for certain current liabilities	**1,890**	1,795
Total current assets	**186,885**	181,997
Assets limited as to use		
Debt service funds – under bond indenture agreements	**11,168**	11,564
Self-insurance	**2,824**	4,318
Funded depreciation – by Board of Directors	**14,768**	14,746
Total assets limited as to use	**28,760**	30,628
Less amount classified as a current asset	**(1,890)**	(1,795)
	26,870	28,833
Property, plant, and equipment, net of accumulated depreciation and amortization	**100,541**	104,632
Other assets		
Investment in joint ventures	**2,390**	2,172
Deferred financing costs, net of accumulated amortization of $2,032 in 2012 and $1,934 in 2011	**421**	519
Long-term receivables	**5,822**	19,394
Other	**2,213**	1,813
Total other assets	**10,846**	23,898
Total assets	**$ 325,142**	$ 339,360

	December 31	
	2012	2011
	(In Thousands)	
Liabilities and net assets		
Current liabilities		
Accounts payable	**$ 16,993**	$ 23,540
Accrued salaries	**11,582**	10,216
Accrued expenses	**23,951**	29,629
Accrued interest	**1,301**	1,395
Deferred revenue	**27,156**	25,598
Affiliation agreement payable	**11,000**	–
Current portion of long-term debt	**7,774**	8,187
Total current liabilities	**99,757**	98,565
Other noncurrent liabilities	**10,299**	28,134
Long-term debt, net of current portion	**48,781**	54,501
Total liabilities	**158,837**	181,200
Net assets		
Unrestricted net assets	**166,305**	157,807
Temporarily restricted	**–**	353
Total net assets	**166,305**	158,160
Total liabilities and net assets	**$ 325,142**	$ 339,360

See accompanying notes.

University Medical Center, Inc.

Statements of Operations and Changes in Net Assets

	Year Ended December 31	
	2012	**2011**
	(In Thousands)	
Unrestricted revenue		
Net patient service revenue	**$ 447,056**	$ 431,035
Provision for bad debts	**(7,828)**	(6,373)
Net patient service revenue less provision for bad debts	**439,228**	424,662
Other revenue	**24,051**	19,629
Total net revenue	**463,279**	444,291
Expenses		
Salaries and wages	**145,116**	141,691
Employee benefits	**35,346**	34,476
Supplies	**62,458**	61,809
Drugs	**34,115**	29,224
Contract services – UofL	**55,188**	55,362
Contract services – other	**38,114**	37,574
Rent and leases	**12,494**	13,400
Repairs and maintenance	**10,881**	10,015
Insurance	**3,537**	6,997
Other	**18,843**	28,104
Interest	**3,192**	3,420
Provider tax	**7,505**	7,322
Depreciation and amortization	**18,080**	18,490
Total expenses	**444,869**	447,884
Operating income (loss)	**18,410**	(3,593)
Nonoperating gains (losses), net		
UofL affiliation agreement surplus cash flow	**(11,000)**	(5,500)
Nonoperating income	**495**	287
Other losses	**(10)**	(24)
Total nonoperating losses, net	**(10,515)**	(5,237)
Excess of revenue over expenses (expenses over revenue)	**7,895**	(8,830)

University Medical Center, Inc.

Statements of Operations and Changes in Net Assets (continued)

	Year Ended December 31	
	2012	**2011**
	(In Thousands)	
Unrestricted net assets		
Excess of revenue over expenses (expenses over revenue)	**$ 7,895**	$ (8,830)
Unrealized gains on investments	**175**	678
Net assets released from restrictions for purchase of property, plant, and equipment	**428**	107
Increase (decrease) in unrestricted net assets	**8,498**	(8,045)
Temporarily restricted net assets		
Contributions, grants, and bequests	**87**	460
Net assets released from restrictions for purchase of property, plant, and equipment	**(440)**	(107)
(Decrease) increase in temporarily restricted net assets	**(353)**	353
Increase (decrease) in net assets	**8,145**	(7,692)
Net assets at beginning of year	**158,160**	165,852
Net assets at end of year	**$ 166,305**	$ 158,160

See accompanying notes.

University Medical Center, Inc.

Statements of Cash Flows

	Year Ended December 31	
	2012	2011
	(In Thousands)	
Operating activities		
Increase (decrease) in net assets	**$ 8,145**	$ (7,692)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities		
Provision for bad debts	**7,828**	6,373
Depreciation and amortization	**18,080**	18,490
Contributions, grants, and bequests	**(87)**	(460)
Changes in operating assets and liabilities		
Patient accounts receivable	**(6,024)**	(15,543)
Other receivables	**20,755**	(17,679)
Accounts payable	**(6,547)**	13,262
Accrued expenses	**(5,678)**	13,137
Deferred revenue	**1,558**	115
Affiliation agreement payable	**11,000**	(11,000)
Other current and noncurrent assets and liabilities	**(4,256)**	2,102
Estimated amounts due to third-party payors	**(1,080)**	(1,349)
Net cash provided by (used in) operating activities	**43,694**	(244)
Investing activities		
Purchase of property, plant, and equipment, net	**(11,629)**	(15,090)
Investment in joint venture	**(218)**	(1,330)
Net change in assets limited as to use and investments	**4,826**	12,548
Net cash used in investing activities	**(7,021)**	(3,872)
Financing activities		
Repayment of debt	**(8,578)**	(8,419)
Contributions, grants, and bequests	**87**	460
Net cash used in financing activities	**(8,491)**	(7,959)
Increase (decrease) in cash and cash equivalents	**28,182**	(12,075)
Cash and cash equivalents at beginning of year	**32,471**	44,546
Cash and cash equivalents at end of year	**$ 60,653**	$ 32,471
Noncash investing and financing activities		
Property acquired through capital lease	**$ 2,360**	$ 869

See accompanying notes.

University Medical Center, Inc.

Notes to Financial Statements

December 31, 2012

1. Organization

The financial statements include the accounts of University Medical Center, Inc d/b/a University of Louisville Hospital/James Graham Brown Cancer Center (UMC or the Corporation)

UMC is a nonprofit corporation incorporated on June 27, 1995 Norton Healthcare, Inc (Norton), a Kentucky nonprofit corporation, Jewish Hospital & St Mary's Healthcare, Inc (formerly known as Jewish Hospital HealthCare Services, Inc (Jewish)), a Kentucky nonprofit corporation, and the University of Louisville (UofL) were the original members of the Corporation Effective July 1, 2007, Norton and Jewish resigned from the Board and UMC reverted to a nonmember, nonprofit corporation under KRS Chapter 273 The business and affairs of UMC are conducted by its Board of Directors The Board of Directors consists of 16 directors The President of the UofL or his designee is the ex-officio Chairman of the Board The Chairman appoints the UofL directors The remaining directors (Community Directors) are in the majority, with none being a trustee, officer, or employee of UofL

An affiliation agreement between the Commonwealth of Kentucky, UofL, and UMC (the Affiliation Agreement) grants UMC the right to lease and operate the hospital through December 31, 2012 The Affiliation Agreement's purposes include operating and maintaining the hospital, providing educational activities and scientific research related to rendering care to the sick and injured, and providing services for the care and treatment of persons who are acutely ill or who otherwise require medical care and related services

On November 13, 2012, the Corporation entered into a Joint Operating Agreement (JOA) with KentuckyOne Health, Inc (KentuckyOne), a Kentucky nonprofit corporation, with an effective date of March 1, 2013 As a result of the JOA, KentuckyOne will manage and operate UMC with the exception of neonatal intensive care unit, obstetrical and male or female reproductive services In conjunction with the execution of the JOA, KentuckyOne, UMC and UofL entered into an Academic Affiliation Agreement Additionally, an amended and restated lease agreement between the Commonwealth of Kentucky, UofL and UMC was entered into and is effective January 1, 2013 The amended and restate lease agreement grants UMC the right to lease and operate the hospital through December 2031, with three fifteen-year renewal options In conjunction with entering into the JOA, UMC's fiscal year-end will change from December 31 to June 30

2. Summary of Significant Accounting Policies

Use of Estimates

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

Cash and Cash Equivalents

The Corporation considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents

Investments

Short-term investments are those with maturities less than one year and are comprised of certificates of deposit account registry service deposits and money market accounts All short-term investments are stated at market value The Corporation has no long-term investments or foreign investments

2. Summary of Significant Accounting Policies (continued)

Patient Accounts Receivable

Patient accounts receivable consist of amounts due from government programs (e g , Medicare and Medicaid) and nongovernmental payors (e g , self-pay and commercial payors) Management believes there are no credit risks associated with the receivables from governmental programs Nongovernmental receivables are from various payors that are subject to differing economic conditions Such nongovernment receivables do not represent any significant concentration risks to the Corporation Management continually monitors and adjusts the allowance for uncollectible accounts associated with the credit risk of patient accounts receivable The mix of hospital gross receivables from patients and third-party payors at December 31, is as follows

	2012	2011
Medicare	**9%**	11%
Medicaid	**9**	9
Blue Cross	**8**	7
Patients	**54**	57
Other third-party payors	**20**	16
	100%	100%

Inventories

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

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost, if purchased, or at fair market value at the date of gift, if donated Depreciation and amortization, which includes amortization related to capital leases, is provided by the straight-line method over the estimated useful lives of the related assets Estimated useful lives by asset category are as follows land improvements – 3 to 5 years, buildings and building improvements – 20 to 35 years, and equipment – 8 to 10 years Depreciation expense was $17,896,000 in 2012 and $18,301,000 in 2011 Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets

2. Summary of Significant Accounting Policies (continued)

Assets Limited as to Use

Assets limited as to use include designated amounts set aside by the Board of Directors for funded depreciation and other expenses, over which the Board retains control and may at its discretion subsequently use for other purposes The self-insurance trusts are set aside for self-insurance Amounts required to meet current liabilities of the Corporation have been classified as current in the balance sheets

Deferred Financing Costs

Deferred financing costs are amortized over the life of the bonds using the effective interest method

Tax-Exempt Status

UMC is exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code and its related income is exempt from federal income tax under Internal Revenue Code Section 501(a) As required by the Income Tax Topic of the Financial Accounting Standards Board Accounting Standards Codification, the Corporation completed an analysis of its tax positions and determined that no material amounts were required to be recognized under pronouncements in the financial statements at December 31, 2012 or 2011

Statement of Operations

For purposes of presentation, transactions deemed by management to be ongoing, major, or central to the provision of health care services are reported as revenue and expenses Peripheral or incidental transactions are reported as nonoperating gains and losses

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients and third-party payors for services rendered, including estimated retroactive adjustments under reimbursement agreements with certain third-party payors Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, if necessary, as final settlements are determined

2. Summary of Significant Accounting Policies (continued)

Excess of Revenue Over Expenses (Expenses Over Revenue)

The statements of operations include excess of revenue over expenses (expenses over revenue) Changes in unrestricted net assets that are excluded from excess of revenue over expenses (expenses over revenue), consistent with industry practice, include changes in unrealized gains and losses on investments deemed to be temporary and contributions of long-lived assets

Donor-Restricted Gifts

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

Donor-restricted contributions whose restrictions are met within the same year as received are reported as other unrestricted contributions and gains in the accompanying financial statements

Charity Care

The Corporation provides medical services, without charge or at amounts less than established rates, to patients who qualify under its charity care policies Eligibility for charity care is determined based on federal poverty guidelines Charity services are defined as those for which no payment is anticipated The Corporation does not pursue collection of amounts determined to qualify as charity care Charity care costs were $94,000,000 in 2012 and $103,000,000 in 2011 These costs are calculated using the cost to charge ratio

Reclassifications

Certain prior year amounts were reclassified to conform to current year presentation

2. Summary of Significant Accounting Policies (continued)

Fair Value

The Corporation follows the provisions of Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) 820 (ASC 820), which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a framework for measuring fair value ASC 820 defines a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date

ASC 820 emphasizes that fair value is a market-based measurement, not an entity specific measurement Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing an asset or liability As a basis for considering market participant assumption in fair value measurements, and as noted above, ASC 820 defines a three-level fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity and the reporting entity's own assumptions about market participants The fair value hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date

The Corporation's valuation methodology for assets and liabilities is as follows

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets

- Level 2 – inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument

- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement

The Corporation has an established and documented process for determining fair values Fair value is based upon quoted market prices, where available If listed prices or quotes are not available, valuation adjustments may be made to ensure that financial instruments are recorded at fair value These adjustments include amounts to reflect counterparty credit quality constraints on liquidity, and unobservable parameters that are applied consistently over time

2. Summary of Significant Accounting Policies (continued)

Recently Issued Accounting Pronouncements

The FASB has issued Accounting Standards Update (ASU) No 2011-04, *Fair Value Measurements (Topic 820), Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS* The amendments in ASU 2011-04 change the wording used to describe many of the requirements in U S GAAP for measuring fair value and for disclosing information about fair value measurements The ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2011, and was adopted by the Corporation in the 2012 financial statements

The FASB has issued ASU No 2011-07, *Health Care Entities (Topic 954): Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities* ASU 2011-07 is intended to provide financial statement users with greater transparency about a health care entity's net patient service revenue and the related allowance for doubtful receivables ASU 2011-07 requires certain health care entities to change the presentation of their statement of operations and changes in net assets by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue Additionally, those health care entities are required to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts The ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2011 The Corporation adopted ASU No 2011-07 in 2012 and adjusted the presentation of the statement of operations and changes in net assets and made required disclosures

3. Net Patient Service Revenue

Net patient service revenue for services provided to patients who have third-party payor coverage is recognized based on contractual rates from the services rendered The Corporation recognizes a significant amount of patient service revenue at the time the services are rendered even though they do not assess the patient's ability to pay As a result, the provision for bad debt is presented as a deduction from patient service revenue net of contractual provisions and discounts For uninsured patients that do not qualify for charity care, the Corporation recognizes revenue when services are provided Based on historical experiences, a significant portion of the Corporation's uninsured patients will be unable or unwilling to pay for the services provided Thus, the Corporation records a significant provision for bad debts related to uninsured patients in the period the services are provided Net Patient Service Revenue before the provision for uncollectible accounts by major payor source for the years ended December 31, are as follows

	2012		2011	
	(In Thousands)			
Medicare	**$ 99,793**	**23%**	$ 97,015	23%
Medicaid	**58,838**	**13**	69,112	16
Managed Care & Commercial	**178,383**	**40**	142,972	33
Charity	**110,042**	**24**	121,936	28
	$ 447,056	**100%**	$ 431,035	100%

Net patient accounts are reduced by an allowance for uncollectible accounts based upon the historical collection experience adjusted for current environmental risks and trends for each major payor source Overall the total write-offs of uncollectible accounts and reserves on self-pay patient accounts have not changed significantly since December 31, 2011 The Corporation has not experienced significant changes in write-off trends and have not changed its charity care policy since December 31, 2011

Medicare and Medicaid

Inpatient hospital services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors The diagnosis upon which payment is based is subject to review by Medicare representatives Medicare payments for most outpatient services are made based upon the patient's procedures and diagnosis Medicare payments for graduate

3. Net Patient Service Revenue (continued)

medical education (GME), indirect medical education (IME), and certain bad debts for beneficiary deductible and coinsurance are made based upon reimbursable costs subject to caps Such reimbursable costs were determined from annual cost reports filed, which are subject to audit Provision has been made for the estimated effects of reviews and audits Medicare revenue was approximately 23% of net patient service revenue for the years ended December 31, 2012 and 2011 The Hospital increased net patient service revenue by approximately $1,750,000 in 2012 and $2,663,000 in 2011, as a result of changes in estimates related to prior year cost report statements and other payor issues

The Medicaid program reimburses the Corporation on a prospectively determined rate per patient day for inpatient services and on a combination of fee for services and on the basis of cost, as defined, for outpatient services Provision has been made for the estimated effects of reviews and audits by Medicaid Medicaid revenue was approximately 13% and 16% of net patient service revenue for the years ended December 31, 2012 and 2011, respectively

The Corporation was a party to a settlement agreement dated April 5, 2012 with the United States Department of Health and Human Services (HHS), the Secretary of HHS and the Centers for Medicare & Medicaid Services (CMS) The Corporation, along with a group of other Medicare providers, had challenged CMS' implementation of the rural floor neutrality provisions of the Balanced Budget Act of 1997, which effectively understated the amount paid through the inpatient prospective system for a number of years Under the settlement agreement, the Corporation received $1,940,000 during the year ended December 31, 2012, net of professional fees and is included in the settlements and other changes in estimate above

The health care industry is subject to numerous laws and regulations of federal, state, and local governments The Corporation believes it is in substantial compliance with all applicable laws and regulations, and that no pending or threatened investigations will have a material adverse effect on the financial position of the Corporation However, compliance with health care industry laws and regulations can be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties and exclusion from the Medicare and Medicaid programs As a result, there is at least a possibility that recorded estimates will change by a material amount in the near term

3. Net Patient Service Revenue (continued)

Disproportionate Share Hospital

The Corporation's high Medicaid utilization allows it to be designated as a disproportionate share hospital It is party to intergovernmental transfers made by UofL on the Corporation's behalf, and receives amounts from Medicaid as a disproportionate share hospital The disproportionate share payments are received in a lump sum and are amortized over the federal fiscal year (October – September) The Corporation included the amortization of these payments in net patient service revenue in the statements of operations and changes in net assets Unamortized amounts under these programs are included in deferred revenue on the balance sheets

Passport Health Plan

Passport Health Plan (Passport) is a comprehensive risk-based entity that contracts with the Commonwealth of Kentucky's Medicaid program to provide comprehensive medical services to patients in its region Passport also has a Medicare replacement insurance product

The Corporation received $1,330,000 of charity care grants from Passport in 2008 and 2009 Such amounts were recorded as net patient service revenue in the statements of operations and changes in net assets in the year received In 2011 it was determined that the total received ($2,660,000) should be returned to Passport in equal installments through the year 2015 Net patient service revenue was reduced for the $2,660,000 in 2011 The Corporation has a liability to Passport recorded of $1,596,000 and $2,128,000 at December 31, 2012 and 2011, respectively

Urban Trauma Payment

Urban Trauma payment is a Kentucky Medicaid payment for hospitals designated as disproportionate share hospitals Urban Trauma payments are received monthly by the Corporation from Passport and are recognized over the state fiscal year (July – June) Urban Trauma payment is included in net patient service revenue in the statements of operations and changes in net assets

3. Net Patient Service Revenue (continued)

Quality and Charity Care Trust Agreement

The Revised Quality and Charity Care Trust Agreement between UMC, UofL, the Commonwealth of Kentucky, and the Louisville Metro government (QCCT Agreement) provides limited funding for the health care needs of economically disadvantaged persons of Jefferson County, Kentucky The term of the QCCT Agreement is equal to the term of the Affiliation Agreement The "Trust Year" begins on the first day of July and ends on the last day of June

Funding under the QCCT Agreement is provided by the Louisville Metro government, the Commonwealth of Kentucky, and UofL and is an annual fixed amount which is not related to volume Annual increases from local governments are based on the lesser of 1) the prior fiscal year's percentage increase in the Consumer Price Index or 2) the government entity's prior fiscal year's percentage increase in the tax revenue

In consideration of the funding to the Corporation under the QCCT Agreement, the Corporation provides medically necessary services to medically needy persons, as defined in the QCCT Agreement The Corporation can attempt to bill and collect for certain amounts, such as co-payments, from those defined as medically needy QCCT payments are included in net patient service revenue

Other

The Corporation has also entered into payment agreements with certain commercial insurance carriers and health maintenance and preferred provider organizations The basis for payment under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates

3. Net Patient Service Revenue (continued)

The Corporation recognized net revenue from the following programs during the years ended December 31

	2012	2011
	(In Thousands)	
Disproportionate share	**$ 37,544**	$ 36,034
QCCT	**32,227**	34,478
Urban Trauma payment	**24,837**	19,847
Passport charity grant	**–**	(2,660)
	$ 94,608	$ 87,699

Deferred revenue related to the following programs is as follows at December 31

	2012	2011
	(In Thousands)	
Disproportionate share	**$ 27,156**	$ 25,557
	$ 27,156	$ 25,557

4. Property, Plant, and Equipment

Property, plant, and equipment at December 31 consists of

	2012	2011
	(In Thousands)	
Land and land improvements	**$ 2,158**	$ 2,066
Buildings and building improvements	**106,185**	102,395
Equipment	**133,668**	122,972
	242,011	227,433
Accumulated depreciation and amortization	**(143,573)**	(127,075)
	98,438	100,358
Construction-in-progress	**2,103**	4,274
Property, plant, and equipment, net	**$ 100,541**	$ 104,632

5. Assets Limited as to Use and Investments

Assets limited as to use and investments are recorded at fair market value and consist of the following at December 31

	2012			
	Level 1	**Level 2**	**Level 3**	**Fair Value**
	(In Thousands)			
Cash and cash equivalents	**$ 2,964**	**$ –**	**$ –**	**$ 2,964**
Money market funds	**3,191**	**46,695**	**–**	**49,886**
Government and agency securities	**7,837**	**–**	**–**	**7,837**
	$ 13,992	**$ 46,695**	**$ –**	**$ 60,687**

	2011			
	Level 1	**Level 2**	**Level 3**	**Fair Value**
	(In Thousands)			
Cash and cash equivalents	$ 4,969	$ –	$ –	$ 4,969
Money market funds	3,250	46,626	–	49,876
Government and agency securities	7,663	–	–	7,663
Certificate of deposit and account registry service	–	3,005	–	3,005
	$ 15,882	$ 49,631	$ –	$ 65,513

The Corporation's investments and assets limited as to use are generally classified within Level 1 or Level 2 of the fair value hierarchy because they are valued using quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency Fair value for Level 2 investments are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets Inputs are obtained from various sources including market participants, dealers, and brokers

5. Assets Limited as to Use and Investments (continued)

U S Government and agency securities consist of Federal Farm Credit Bank and Federal National Mortgage Association bonds and callable notes with maturities ranging from 2021 through 2022

Investment income from borrowed funds is included as nonoperating income and all other investment income is included in other operating revenue in the accompanying financial statements Investment income is comprised of the following for the years ended December 31

	2012	2011
	(In Thousands)	
Investment income – operating	**$ 152**	$ 264
Investment income – nonoperating	**104**	91
	$ 256	$ 355

6. Investment in Joint Ventures

The following is a summary of the investment in joint ventures at December 31

	2012	2011
	(In Thousands)	
Kentuckiana Medical Reciprocal Risk Retention Group	**$ 300**	$ 300
Passport Health Plan (Passport)	**1,313**	1,313
Cyberknife Associates of Louisville, LLC	**200**	–
Premier Purchasing Partners, LP	**577**	559
Total investment in joint ventures	**$ 2,390**	$ 2,172

The investment in Kentuckiana Medical Reciprocal Risk Retention Group (KMRRRG) represents 6% ownership in the company that provides professional liability coverage to its subscribers, which includes the Corporation and certain University of Louisville Medical School Practice Association members, on a claims-made basis through KMR LLC

6. Investment in Joint Ventures (continued)

The investment in Passport represents a 13% ownership in the company that receives the premiums and pays the claims for the Medicaid managed care program in Louisville and the surrounding area The Corporation received a 100% return of its initial capital investment of $1,313,000 in 2008, however, in 2011 it was determined the investment should be returned to Passport

The investment in Cyberknife Associates of Louisville, LLC (Cyberknife) represents 20% ownership as a Class C Member in the company that provides equipment, supplies and robotic radiosurgery services to health care organizations in the Kentuckiana area

The investment in Premier Purchasing Partners, LP (Premier) represents a limited partnership interest in the company that provides purchasing services for its members

KMRRRG, Passport, Cyberknife, and Premier are accounted for using the cost basis of accounting

7. Long-Term Debt

Long-term debt is summarized as follows

	2012	2011
	(In Thousands)	
County of Jefferson, Kentucky Hospital		
Facilities Revenue Bonds, Series 1997	**$ 48,540**	$ 52,130
Less unamortized bond discount	**(816)**	(902)
Facilities Revenue Bonds, Series 2008 7-Year	**4,535**	6,077
Facilities Revenue Bonds, Series 2008 5-Year	**847**	1,945
	53,106	59,250
Other long-term debt	**3,449**	3,438
Total long-term debt	**56,555**	62,688
Current portion of long-term debt	**(7,774)**	(8,187)
Long-term debt, net of current portion	**$ 48,781**	$ 54,501

7. Long-Term Debt (continued)

The Series 1997 Bonds were issued by the County of Jefferson and the proceeds were loaned to the Corporation under the terms of a Note and Master Trust Indenture dated June 15, 1997 The proceeds from the Series 1997 Bonds were used to reimburse the Corporation for the costs of buying equipment and other capital expenditures, provide funds for the purchase of new equipment and new construction, fund a debt service reserve fund, and provide working capital for the Corporation

The Series 1997 Bonds are insured by a financial guaranty insurance policy with MBIA Insurance Corporation and are secured by a pledge of the revenue of the Corporation The Series 1997 Bonds are subject to optional redemption by the Corporation There is no call premium for bonds redeemed after July 1, 2008 Interest rates on Series 1997 Bonds range from 3 90% to 5 50%

Under the terms of the Series 1997 Bonds, the Corporation has agreed to certain covenants that, among other things, limit additional indebtedness and guarantees, and require the Corporation to maintain specified financial ratios and minimum days cash on hand At December 31, 2012, the Corporation is in compliance with these provisions

The Series 2008 Bonds were issued by the County of Jefferson and the proceeds were loaned to the Corporation under the terms of a Note and Master Trust Indenture dated September 5, 2008 The proceeds from the Series 2008 Bonds were used to reimburse the Corporation for the costs of buying equipment and other capital expenditures and provide funds for new construction for the Corporation The bonds are secured by a pledge of the equipment purchased by the Corporation Bonds are subject to optional redemption by the Corporation on or after October 5, 2009 There is no call premium for the bonds redeemed after October 5, 2008 Interest rates on the Series 2008 Bonds range from 3 32% to 3 55%

7. Long-Term Debt (continued)

The maturities and interest payments on long-term debt over the next five years are as follows

Fiscal Year	Principal	Interest	Total
		(In Thousands)	
2013	$ 7,774	$ 2,767	$ 10,541
2014	6,413	2,420	8,833
2015	6,115	2,105	8,220
2016	4,944	1,829	6,773
2017	4,685	1,569	6,254
Thereafter	27,440	3,749	31,189

The Corporation has a line of credit with Republic Bank and Trust totaling $8,000,000 available for additional borrowings at December 31, 2012 The interest on this line of credit is stated at the prime rate as defined in the agreement No amounts were outstanding on this line at December 31, 2012 or 2011 The line of credit expires on October 1, 2013, unless extended or provided in the agreement

The Corporation paid interest of approximately $3,307,000 and $3,511,000, which is net of capitalized interest costs of approximately $115,000 and $91,000 during 2012 and 2011, respectively

The carrying amount of debt outstanding at December 31, 2012, under the Series 1997 Bonds, Series 2008 Bonds 7-Year, and Series 2008 Bonds 5-Year approximates fair value

The other long-term debt amount consists of various capital leases related to equipment used in operations

8. Leases

The Corporation has entered into various agreements with UofL and its affiliates to lease the Hospital Effective January 1, 2013, the Corporation entered into an amended 20-year lease agreement that will automatically renew, after the amended term, for up to three successive, 15-year terms Future minimum annual rental payments under the amended lease agreement, including payments under renewal periods, as of December 31, 2012, are as follows (in thousands)

2013	$ 8,924
2014	8,996
2015	9,071
2016	9,148
2017	9,728
Thereafter	580,809
	$ 626,676

In addition to the above, the Corporation has entered into various lease agreements with unrelated parties, primarily for the use of equipment Future minimum annual rental payments under these operating leases as of December 31, 2012, are as follows (in thousands)

2013	$ 2,325
2014	1,010
2015	772
2016	772
2017	772
	$ 5,651

Total rental expense for all lease agreements was approximately $12,494,000 and $13,400,000, respectively, for the years ended December 31, 2012 and 2011

9. Retirement Plans

The Corporation has a defined contribution 403(b) plan available to all employees that allows them to contribute, from their first day of employment, up to the limits imposed by the Internal Revenue Service

The Corporation also has a defined contribution 401(a) retirement plan available to all employees with at least one year of employment that work more than 1,000 hours in a year

Under terms of this plan, the Corporation contributes a percentage (as defined by the plan document) of each participant's annual compensation for those participants employed on December 31 In addition, this plan provides for a 50% matching contribution of participants' 403(b) contributions up to a maximum of 4% of annual compensation Vesting of the Corporation match requires 1,000 annual work hours

In 2004, a deferred compensation 457 plan became available for certain employees This plan allows employees to voluntarily defer compensation that otherwise would be paid currently The Corporation makes no contributions to the 457 plan

Total pension expense was approximately $6,278,000 in 2012 and $6,230,000 in 2011

10. Functional Expenses

The Corporation provides general health care services to residents within its geographic location Expenses related to providing these services are as follows for the years ended December 31

	2012	2011
	(In Thousands)	
Health care and education services	**$ 386,521**	$ 373,259
General and administrative	**58,348**	74,625
	$ 444,869	$ 447,884

11. Related-Party Transactions

In addition to payments required under the Affiliation Agreement (see Note 12), the Corporation has entered into various contracts with UofL and its affiliates to provide support services for the Corporation The following is a summary of expenses incurred related to UofL and its affiliates for the years ended December 31

	2012	2011
	(In Thousands)	
Professional fees	**$ 52,443**	$ 52,983
Ancillary services	**2,745**	2,379
Rent expense and other	**8,807**	8,733
	$ 63,995	$ 64,095

Professional fees relate primarily to support for the residency programs, ambulatory care building support, physician services and chairmanships Ancillary services include dialysis, lab testing, mammography and other services Rent expense relates to the lease of the hospital and the outpatient center

The Corporation has recorded receivables from UofL of $272,000 and $21,096,000 as of December 31, 2012 and 2011, respectively

The Corporation, in conjunction with other medical center institutions, is contractually responsible for the operating costs and the debt service requirements of two organizations owned and operated by the Medical Center Commission (a public agency) which provide laundry service and steam and chilled water service to the Corporation and other institutions The principal amount of the long-term debt outstanding as of December 31, 2012, related to the laundry service organization is approximately $2,910,000, while that related to the steam and chilled water service organization is approximately $8,125,000 Payments made by the Corporation to the two organizations included in operating expenses for the years ended December 31, were

	2012	2011
	(In Thousands)	
Laundry service	**$ 1,256**	$ 1,312
Steam and chilled water service	**2,028**	2,007
	$ 3,284	$ 3,319

12. Affiliation Agreement

The Affiliation Agreement (Note 1) states that the Corporation will pay to UofL its Surplus Cash Flow, as defined Surplus Cash Flow is recorded as a nonoperating expense in the statements of operations and changes in net assets

At December 31, 2012 and 2011, the Corporation has $11,000,000 and $0, respectively, payable to UofL related to this commitment The Corporation recognized $11,000,000 and $5,500,000 of expense in 2012 and 2011, respectively, related to this agreement

As part of the Affiliation Agreement, the Corporation has also agreed to support the operations of the Ambulatory Care Building (ACB) Clinics ACB Clinics support of $1,900,000 and $1,799,000 in 2012 and 2011, is included in contract services – UofL in the statements of operations and changes in net assets

13. Commitments and Contingencies

The Corporation is insured for professional and general liability claims through a claims-made policy that, in the opinion of management, is adequate to cover losses, if any Should the current claims-made policy not be renewed or replaced with equivalent insurance, claims based upon occurrence during the term of the present policy, but reported subsequently, will be uninsured

There may be other claims from unreported incidents arising from services provided to patients, however, because the annual excess insurance policy covers only claims that have been asserted and incidents reported to the insurance carrier, these unknown incidents are not yet covered by excess insurance The Corporation's Board of Directors has established a trust with certain funds that are set aside ($2,824,000 and $4,318,000 at December 31, 2012 and 2011, respectively) to pay for deductibles related to uninsured malpractice claims The amounts recorded for the professional and general liability include an actuarial determined estimate for claims and related legal expenses for both reported and unreported incidents

The Corporation is self-insured up to certain reinsurance limits for employee health insurance and workers' compensation

The Corporation is subject to claims and suits arising in the ordinary course of business In the opinion of management, the ultimate resolution of pending legal proceedings will not have a material effect on the Corporation's financial position

14. Subsequent Events

The Corporation has evaluated and disclosed any subsequent events through May 29, 2013, which is the date the financial statements were issued and made publicly available No nonrecognized subsequent events were identified for disclosure in the financial statements

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