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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

DEDICATED TO IMPROVING THE HEALTH OF OUR PATIENTS AND COMMUNITIES WE SERVE

2

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

Yes

No

If "Yes," describe these new services on Schedule O

3

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

Yes

No

If "Yes," describe these changes on Schedule O

4

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

4a

(Code) (Expenses \$ 159,571,711 including grants of \$ 263,040) (Revenue \$ 179,918,166)

THE HOSPITAL PROVIDES INPATIENT, OUTPATIENT, EMERGENCY CARE, ANDSKILLED NURSING FOR A COMPLETE ANNUAL REPORT OF LONGMONT UNITEDHOSPITAL SERVICES, MISSION AND COMMUNITY BENEFIT, PLEASE VISIT USAT HTTP //WWW LUHCARES ORG/ABOUTUS ASPX

4b

(Code) (Expenses \$ including grants of \$) (Revenue \$)

4c

(Code) (Expenses \$ including grants of \$) (Revenue \$)

4d

Other program services (Describe in Schedule O)

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

4e

Total program service expenses 159,571,711

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 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	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	No
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI 	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	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX 	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 Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b Yes	
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 Yes	
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? <i>If "Yes," complete Schedule I, Parts I and II</i>	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? <i>If "Yes," complete Schedule I, Parts I and III</i>	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? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	Yes	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 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.	197	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	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.	1,426	
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).	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	Yes	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	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)?		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?		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
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?		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
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?	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		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	11	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
1b	Enter the number of voting members included in line 1a, above, who are independent	8	
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
7b	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		
8a	The governing body?	8a	Yes
8b	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
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	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?		
15a	The organization's CEO, Executive Director, or top management official	15a	Yes
15b	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
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	Yes

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. ☒ 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 NEIL BERTRAND 1950 WEST MOUNTAIN VIEW AVE LONGMONT, CO (303) 651-5023

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			
(1) DAN GUST CHAIRPERSON	5 00	X		X				0	0	0
(2) RICHARD LYONS VICE-CHAIRPERSON	5 00	X		X				0	0	0
(3) TOM CHAPMAN SECRETARY	5 00	X		X				0	0	0
(4) CLAIR VOLK TREASURER	5 00	X		X				0	0	0
(5) MIKE KIRKLAND ASST SEC-TREASURER	5 00	X		X				0	0	0
(6) E PATRICIA GILL BOARD MEMBER	5 00	X						25,380	0	0
(7) MARK HINMAN BOARD MEMBER	5 00	X						3,750	0	0
(8) MARK PILLMORE BOARD MEMBER	5 00	X						0	0	0
(9) EDWINA SALAZAR BOARD MEMBER	5 00	X						0	0	0
(10) CHARLOTTE TYSON BOARD MEMBER	5 00	X						0	0	0
(11) MITCHELL C CARSON PRESIDENT/CEO	40 00	X		X				576,736	0	144,784
(12) NEIL BERTRAND CFO	40 00			X				329,809	0	86,520
(13) CAROL SMITH VP LEGAL/REGULATORY AFFAIRS	40 00				X			226,200	0	59,050
(14) NANCY DRISCOLL VP PATIENT CARE SERVICES	40 00				X			205,648	0	48,299
(15) REBECCA HERMAN VP CLINICAL SUPPORT SERVICES	40 00				X			203,214	0	48,311
(16) WARREN LAUGHLIN VP HUMAN RESOURCES	40 00				X			188,824	0	47,676
(17) JOHN PETERSON VP INFORMATION SERVICES	40 00				X			160,207	0	44,702

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			
(18) JOHN IVES DIRECTOR PHARMACY	40 00				X			154,448	0	13,399
(19) MAUREEN BEAVIN SPVR PHARMACY OPERATIONS	38 00				X			150,934	0	15,397
(20) DANIEL FRANK CONTROLLER	40 00				X			150,047	0	37,210
(21) AMY JOHNSON MILESTONE PHYSICIAN	40 00					X		354,707	0	23,291
(22) HEATHER KEENE MILESTONE PHYSICIAN	40 00					X		345,546	0	16,577
(23) MURRY DRESCHER MILESTONE PHYSICIAN	40 00					X		243,713	0	9,480
(24) FABIO PIVETTA MILESTONE PHYSICIAN	40 00					X		205,397	0	21,331
(25) SUE MEYER MILESTONE PHYSICIAN	40 00					X		192,859	0	11,305
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								3,717,419	0	627,332

2Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization▶70

3Did 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

3No

4For 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

4Yes

5Did 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

5No

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
COMPHEALTH PO BOX 972651 DALLAS TX 753972651	MEDICAL	868,424
LONGMONT ANESTHESIA ASSOCIATES 1181 WYNDEMERE CIRCLE LONGMONT CO 80501	MEDICAL	827,951
THE CHILDREN'S HOSPITAL 13123 EAST 16TH AVENUE AURORA CO 80045	MEDICAL	786,192
MAYO MEDICAL LABORATORIES PO BOX 9146 MINNEAPOLIS MN 554809146	MEDICAL	722,817
LONGMONT CLINIC PC 1925 MOUNTAIN VIEW AVENUE LONGMONT CO 80501	MEDICAL	691,273
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 ▶27		

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	48,883		
	d	Related organizations	1d	50,347		
	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		99,230		
Program Service Revenue	2a	PATIENT REVENUE	Business Code 621990	179,314,535	179,314,535	
	b	HEALTH CTR THERAPY	621990	401,662	401,662	
	c	HEALTH & WELLNESS CTR	621990	201,969	201,969	
	d					
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f		179,918,166		
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		1,632,659	
4		Income from investment of tax-exempt bond proceeds				
5		Royalties				
6a		Gross rents	(i) Real 1,610,054	(ii) Personal		
b		Less rental expenses	1,074,138			
c		Rental income or (loss)	535,916			
d		Net rental income or (loss)		535,916	535,916	
7a		Gross amount from sales of assets other than inventory	(i) Securities 26,296,850	(ii) Other 43,491		
b		Less cost or other basis and sales expenses	25,700,419	29,742		
c		Gain or (loss)	596,431	13,749		
d		Net gain or (loss)		610,180		610,180
8a		Gross income from fundraising events (not including \$ 48,883 of contributions reported on line 1c) See Part IV, line 18				
a		45,257				
b		Less direct expenses	b	41,343		
c		Net income or (loss) from fundraising events		3,914		3,914
9a		Gross income from gaming activities See Part IV, line 19				
a						
b		Less direct expenses	b			
c		Net income or (loss) from gaming activities				
10a		Gross sales of inventory, less returns and allowances				
a						
b		Less cost of goods sold	b			
c	Net income or (loss) from sales of inventory					
	Miscellaneous Revenue	Business Code				
11a	CAFETERIA	722210	689,991		689,991	
b	INC FROM RELATED ORGS	621990	476,877		476,877	
c	UBIT FROM K-1	541519	21,669	21,669		
d	All other revenue		512,396		512,396	
e	Total. Add lines 11a-11d		1,700,933			
12	Total revenue. See Instructions		184,500,998	180,454,082	21,669	3,926,017

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.	263,040	263,040		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.				
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.				
4	Benefits paid to or for members.				
5	Compensation of current officers, directors, trustees, and key employees.	2,754,214	702,450	2,051,764	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).				
7	Other salaries and wages.	62,622,620	55,313,480	7,309,140	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	583,283	503,912	79,371	
9	Other employee benefits.	8,201,061	7,177,383	1,023,678	
10	Payroll taxes.	4,503,682	3,890,836	612,846	
11	Fees for services (non-employees):				
a	Management.				
b	Legal.	240,187		240,187	
c	Accounting.	103,485		103,485	
d	Lobbying.				
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.				
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	391,203	372,716	18,487	
12	Advertising and promotion.	780,035	52,114	727,921	
13	Office expenses.	5,544,858	4,790,464	754,394	
14	Information technology.	4,447,477	3,548,849	898,628	
15	Royalties.				
16	Occupancy.	2,388,596		2,388,596	
17	Travel.	304,837	263,356	41,481	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.				
20	Interest.	4,468,975	3,720,635	748,340	
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	10,305,082	8,758,232	1,546,850	
23	Insurance.	1,071,205		1,071,205	
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	SUPPLIES	26,278,050	25,011,443	1,266,607	
b	BAD DEBT	14,850,941	14,850,941		
c	PURCHASED SERVICES	6,953,671	6,090,070	863,601	
d	PHYSICIAN FEES	6,373,672	6,373,672		
e	All other expenses	17,903,243	17,888,118	15,125	
25	Total functional expenses. Add lines 1 through 24e.	181,333,417	159,571,711	21,761,706	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)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		11,554,437	1	13,672,720
	2	Savings and temporary cash investments		8,830,211	2	25,125,265
	3	Pledges and grants receivable, net		424,259	3	496,793
	4	Accounts receivable, net		20,361,515	4	21,489,412
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net		261,379	7	244,425
	8	Inventories for sale or use		5,249,684	8	4,453,576
	9	Prepaid expenses and deferred charges		3,239,488	9	3,666,837
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a230,424,207			
	b	Less accumulated depreciation	10b124,416,491	108,037,551	10c	106,007,716
	11	Investments—publicly traded securities		66,915,361	11	63,924,958
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		9,367,578	15	10,334,701
	16	Total assets. Add lines 1 through 15 (must equal line 34)		234,241,463	16	249,416,403
Liabilities	17	Accounts payable and accrued expenses		17,394,803	17	17,590,447
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		90,590,997	20	87,280,509
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		4,466,652	23	19,250,949
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		3,704,409	25	3,454,618
	26	Total liabilities. Add lines 17 through 25		116,156,861	26	127,576,523
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		114,806,009	27	118,280,728
	28	Temporarily restricted net assets		3,278,593	28	3,559,152
	29	Permanently restricted net assets			29	
	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		118,084,602	33	121,839,880
	34	Total liabilities and net assets/fund balances		234,241,463	34	249,416,403

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	184,500,998
2	Total expenses (must equal Part IX, column (A), line 25)	2	181,333,417
3	Revenue less expenses Subtract line 2 from line 1	3	3,167,581
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	118,084,602
5	Net unrealized gains (losses) on investments	5	345,805
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	241,892
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	121,839,880

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? 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	2a	No
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis	2b	Yes
2c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	Yes
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
3b	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	

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 LONGMONT UNITED HOSPITAL	Employer identification number 84-0460697
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Part I

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

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

1	☐	A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
2	☐	A school described in section 170(b)(1)(A)(ii). (Attach Schedule E)
3	☒	A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
4	☐	A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state _____
5	☐	An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II)
6	☐	A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
7	☐	An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II)
8	☐	A community trust described in section 170(b)(1)(A)(vi) (Complete Part II)
9	☐	An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2). (Complete Part III)
10	☐	An organization organized and operated exclusively to test for public safety See section 509(a)(4).
11	☐	An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h a ☐ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Non-functionally integrated
e	☐	By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
f	☐	If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
g	☐	Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons? (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? (ii) A family member of a person described in (i) above? (iii) A 35% controlled entity of a person described in (i) or (ii) above?
h	☐	Provide the following information about the supported organization(s)

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

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

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 LONGMONT UNITED HOSPITAL	Employer identification number 84-0460697
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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															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		☐ 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)		(b)
		Yes	No	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?	Yes		12,672
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?		No	
j	Total. Add lines 1c through 1i.			12,672
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
PART IV, SUPPLEMENTAL INFORMATION		GRANTS TO OTHER ORGANIZATIONS FOR LOBBYING PURPOSES - PART II-B, LINE 1F PORTION OF DUES PAID TO THE AMERICAN HOSPITAL ASSOCIATION FOR LOBBYING EXPENSES \$6,386 PORTION OF DUES PAID TO THE COLORADO HOSPITAL ASSOCIATION FOR LOBBYING EXPENSES \$6,286

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
LONGMONT UNITED HOSPITAL

Employer identification number
84-0460697

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

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

▶ \$

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

Cat No 52283D

Schedule D (Form 990) 2012

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

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

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

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

☐

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

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

2

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

a

Board designated or quasi-endowment

b

Permanent endowment

c

Temporarily restricted endowment

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

3a

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

(i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

No

b

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

3b

Yes

No

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		5,726,316		5,726,316
b Buildings		142,984,034	65,792,650	77,191,384
c Leasehold improvements				
d Equipment		71,793,652	58,623,841	13,169,811
e Other		9,920,205		9,920,205
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				106,007,716

Schedule D (Form 990) 2012

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	171,784,749
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	345,805
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII)	2d	-13,062,054
e	Add lines 2a through 2d	2e	-12,716,249
3	Subtract line 2e from line 1	3	184,500,998
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	
c	Add lines 4a and 4b	4c	0
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	184,500,998

Part XII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	168,059,312
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	-13,274,105
e	Add lines 2a through 2d	2e	-13,274,105
3	Subtract line 2e from line 1	3	181,333,417
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	
c	Add lines 4a and 4b	4c	0
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	181,333,417

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
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X, LINE 2	FIN 48 FOOTNOTE THE HOSPITAL APPLIES A MORE-LIKELY-THAN-NOT MEASUREMENT METHODOLOGY TO REFLECT THE FINANCIAL STATEMENT IMPACT OF UNCERTAIN TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN. AFTER EVALUATING THE TAX POSITIONS TAKEN, NONE ARE CONSIDERED TO BE UNCERTAIN, THEREFORE, NO AMOUNTS HAVE BEEN RECOGNIZED AS OF DECEMBER 31, 2012 AND 2011. IF INCURRED, INTEREST AND PENALTIES ASSOCIATED WITH TAX POSITIONS ARE RECORDED IN THE PERIOD ASSESSED IN SUPPLIES AND OTHER EXPENSES. NO INTEREST OR PENALTIES HAVE BEEN ASSESSED AS OF DECEMBER 31, 2012 AND 2011. TAX YEARS THAT REMAIN SUBJECT TO EXAMINATION INCLUDE 2009 THROUGH THE CURRENT PERIOD FOR THE FEDERAL RETURNS AND 2008 THROUGH THE CURRENT PERIOD FOR THE COLORADO RETURNS.
PART XI, LINE 2D - OTHER ADJUSTMENTS		UMB REVENUE 445,263 RENTAL EXPENSES 1,074,138 FUNDRAISING EVENT EXPENSES 41,343 CHANGE IN INTEREST IN NET ASSETS HELD BY LUHF 263,561 GAIN ON SALE OF ASSETS -13,749 UNRELATED BUSINESS INCOME FROM K-1 -21,669 BAD DEBT EXPENSE -14,850,941
PART XII, LINE 2D - OTHER ADJUSTMENTS		UMB TOTAL EXPENSES 475,104 RENTAL EXPENSES 1,074,138 FUNDRAISING EVENT EXPENSES 41,343 GAIN FROM SALE OF ASSETS -13,749 BAD DEBT EXPENSE -14,850,941

84-0460697

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

Revenue			(a) Event #1	(b) Event #2	(c) Other events	(d) Total events	
			<u>DINNER DANCE</u>	<u>GOLF TOURNAMENT</u>		(add col (a) through	
			(event type)	(event type)	(total number)	col (c))	
	1	Gross receipts	64,310	29,830		94,140	
	2	Less Contributions . .	29,973	18,910		48,883	
3	Gross income (line 1 minus line 2)	34,337	10,920		45,257		
Direct Expenses	4	Cash prizes	100			100	
	5	Noncash prizes . .		1,040		1,040	
	6	Rent/facility costs . .		6,240		6,240	
	7	Food and beverages .	11,607	2,870		14,477	
	8	Entertainment					
	9	Other direct expenses .	18,366	1,120		19,486	
	10	Direct expense summary Add lines 4 through 9 in column (d) ►					(41,343)
	11	Net income summary Combine line 3, column (d), and line 10 ►					3,914

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

Revenue		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
Direct Expenses	1 Gross revenue				
	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes _____ ☐ No	☐ Yes _____ ☐ No	☐ Yes _____ ☐ No	
	7 Direct expense summary Add lines 2 through 5 in column (d) ▶				
	8 Net gaming income summary Combine lines 1 and 7 in column (d) ▶				

9 Enter the state(s) in which the organization operates gaming activities _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain _____

Does the organization operate gaming activities with nonmembers? ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in

a The organization's facility	13a	
b An outside facility	13b	

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records

Name 

Address 

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization  \$ and the amount of gaming revenue retained by the third party  \$

c If "Yes," enter name and address of the third party

Name 

Address 

16 Gaming manager information

Name 

Gaming manager compensation  \$

Description of services provided 

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year  \$

Part IV Supplemental Information. Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Identifier	Return Reference	Explanation
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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
LONGMONT UNITED HOSPITAL

Employer identification number
84-0460697

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 <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care ☐ 100% ☐ 150% ☐ 200% ☒ Other <u>25000 0000000000 %</u> b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☒ 300% ☐ 350% ☐ 400% ☐ Other _____ % c If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care 4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	3a	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	3b	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	4	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5a	Yes	
6a	Did the organization prepare a community benefit report during the tax year?	5b		No
b	If "Yes," did the organization make it available to the public?	5c		
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H	6a	Yes	
		6b	Yes	

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)			12,365,000	6,711,000	5,654,000	3 400 %
b Medicaid (from Worksheet 3, column a)			30,195,000	22,731,000	7,464,000	4 480 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			42,560,000	29,442,000	13,118,000	7 880 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			524,000		524,000	0 310 %
f Health professions education (from Worksheet 5)			2,253,000		2,253,000	1 350 %
g Subsidized health services (from Worksheet 6)			6,568,000		6,568,000	3 940 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			287,000		287,000	0 170 %
j Total. Other Benefits			9,632,000		9,632,000	5 770 %
k Total. Add lines 7d and 7j			52,192,000	29,442,000	22,750,000	13 650 %

Part III

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		19,000		19,000	0.010 %
3	Community support					
4	Environmental improvements					
5	Leadership development and training for community members					
6	Coalition building		17,000		17,000	0.010 %
7	Community health improvement advocacy					
8	Workforce development					
9	Other		7,000		7,000	0 %
10	Total		43,000		43,000	0.020 %

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?

1

No

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

4,711,000

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

500,000

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

53,522,000

6

Enter Medicare allowable costs of care relating to payments on line 5.

6

71,018,000

7

Subtract line 6 from line 5. This is the surplus (or shortfall).

7

-17,496,000

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 1 UMB CONDO ASSOC	MAINTENANCE OF COMMON AREAS	92.000 %		8.000 %
2 2 LMB-MOB LLC	CONSTRUCTION OF OFFICE BLDG	17.180 %		82.820 %
3 3 LMC COMM LLC	OPERATION OF COMM EQUIPMENT	50.000 %		50.000 %
4 4 TRI-TOWN MED CAMPUS	CONSTRUCTION OF CARE CLINIC	50.000 %		50.000 %
5 5 TWIN PEAKS MED IMAG	PROVISION OF DIAG. IMAGING	50.000 %		50.000 %
6 6 LUH ORTHOPEDIC & SPINE CO-MGT	MANAGEMENT SERVICES	27.780 %		72.220 %
7				
8				
9				
10				
11				
12				
13				

Schedule H (Form 990) 2012

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

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

LONGMONT UNITED HOSPITAL

Name of hospital facility or facility reporting group

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 If "Yes," indicate what the CHNA report describes (check all that apply)	1	
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? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5	
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 <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>250 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		10	Yes
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>300 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		11	Yes
12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)		12	Yes
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? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		14	Yes
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? If "Yes," check all actions in which the hospital facility or a third party engaged		17	Yes
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? If "No," indicate why	Yes	
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? If "Yes," explain in Part VI		No
22	During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Part VI		No

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?

7

Name and address	Type of Facility (describe)
1 MILESTONE MEDICAL GROUP OBGYN 2030 MOUNTAIN VIEW AVE SUITE 400 LONGMONT, CO 80501	PHYSICIAN PRACTICE
2 MILESTONE MEDICAL GROUP - LYONS 303 MAIN ST UNIT C LYONS, CO 80540	PHYSICIAN PRACTICE
3 MILESTONE MEDICAL GROUP OBGYN 2030 MOUNTAIN VIEW AVE SUITE 360 LONGMONT, CO 80501	PHYSICIAN PRACTICE
4 MILESTONE MEDICAL GROUP - NIWOT 6800 79TH ST SUITE 102 NIWOT, CO 80503	PHYSICIAN PRACTICE
5 MILESTONE MEDICAL GROUP - BERTHOUD 649 MOUNTAIN AVE BERTHOUD, CO 80513	PHYSICIAN PRACTICE
6 MILESTONE MEDICAL GROUP INTERNAL MED 2030 MOUNTAIN VIEW AVE SUITE 310 LONGMONT, CO 80501	PHYSICIAN PRACTICE
7 MILESTONE MEDICAL GROUP CARDIOLOGY 2030 MOUNTAIN VIEW AVE SUITE 310 LONGMONT, CO 80501	PHYSICIAN PRACTICE
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 1, 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 1, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

Identifier	ReturnReference	Explanation
		PART I, LINE 7 CHARITY CARE AT COST IS CALCULATED BY TAKING GROSS CHARITY CARE CHARGES, OFFSETTING THEM BY REVENUES RECEIVED FROM UNCOMPENSATED CARE POOLS, AND THEN MULTIPLYING THAT RESULT BY OUR FACILITY COST/CHARGE RATIO. THE UNREIMBURSED COST OF MEDICAID COMES FROM AN INTERNAL COST ACCOUNTING SYSTEM THAT ADDRESSES ALL PATIENT SEGMENTS
	PART I, LINE 7, COLUMN F	THE BAD DEBT EXPENSE PER FORM 990 REMOVED FROM THE DENOMINATOR = \$14,850,941
		PART III, LINE 4 BAD DEBT FOOTNOTE FROM THE AUDITED FINANCIAL STATEMENTS UNCOLLECTIBLE AMOUNTS FROM PATIENTS WHO DO NOT MEET THE CRITERIA UNDER THE HOSPITAL'S CHARITY CARE POLICY ARE INCLUDED IN THE PROVISION FOR BAD DEBTS
COSTING METHODOLOGY USED	PART III, LINE 2	BAD DEBT EXPENSE AT COST IS CALCULATED BY TAKING TOTAL BAD DEBT EXPENSE AND MULTIPLYING IT BY THE FACILITY COST TO CHARGE RATIO. THAT COST TO CHARGE RATIO IS CALCULATED BY TAKING TOTAL EXPENSES (LESS BAD DEBT) AND DIVIDING BY TOTAL GROSS CHARGES. NO BAD DEBT IS INCLUDED IN OUR COMMUNITY BENEFIT NUMBERS
	PART III, LINE 3	HOSPITAL COLLECTION STAFF WERE ASKED FOR THEIR OPINION OF HOW MUCH BAD DEBT WOULD QUALIFY FOR CHARITY. HAD THE PATIENTS COMPLETED THE ELIGIBILITY VERIFICATION PROCESS, THIS IS A BEST ESTIMATE - LONGMONT IS NOT ABLE TO FORMALLY CALCULATE THIS AMOUNT
COSTING METHODOLOGY USED	PART III, LINE 6	LONGMONT USES A COST ACCOUNTING SYSTEM TO CALCULATE UNREIMBURSED COSTS OF MEDICAID
SHORTFALL REPORTED IN PART III, LINE 7	PART III, LINE 8	LONGMONT DOES NOT INCLUDE MEDICARE REIMBURSEMENT SHORTFALLS AS PART OF COMMUNITY BENEFIT
	PART III, LINE 9B	IF A PATIENT IS KNOWN TO QUALIFY FOR CHARITY CARE, THEIR PATIENT LIABILITY IS EITHER WRITTEN OFF OR WRITTEN DOWN TO THE COLORADO INDIGENT CARE PROGRAM (CICP). COPAYMENT SCHEDULE AMOUNT. THIS PRACTICE APPLIES ONLY TO PATIENTS THAT HAVE BEEN VERIFIED AS ELIGIBLE FOR THE HOSPITAL'S CHARITY CARE
		PART VI, LINE 2 LONGMONT UNITED HOSPITAL ASSESSES HEALTHCARE NEEDS OF THE COMMUNITIES IT SERVES WITH THE FOLLOWING *GEOGRAPHIC AREA COMMUNITY BENEFIT IS PROVIDED TO COMMUNITIES IN OUR PRIMARY AND SECONDARY SERVICE AREAS. THESE SERVICE AREAS REPRESENT ROUGHLY A 20 MILE RADIUS AROUND THE HOSPITAL AND ENCOMPASS MOUNTAIN TOWNS, SUBURBAN CITIES, AND RURAL PLAINS COMMUNITIES *FREQUENCY OF ASSESSMENTLONGMONT UNITED HOSPITAL'S MISSION DEDICATED TO IMPROVING THE HEALTH OF OUR PATIENTS AND COMMUNITIES WE SERVE THIS ENCOMPASSES ALL ASPECTS OF IMPROVING COMMUNITY AND INDIVIDUAL HEALTHCARE. IT REQUIRES THE BOARD OF DIRECTORS AND LEADERSHIP TO BE ACTIVE IN THE COMMUNITY TO UNDERSTAND AND ASSESS THE CRITICAL NEEDS OF THE COMMUNITY. LEADERSHIP ALSO PRESENTS ANNUALLY TO THE BOARD OF DIRECTORS THE ORGANIZATIONS SUPPORTED FINANCIALLY AND THROUGH INVOLVEMENT OF EMPLOYEES. FUTURE SUPPORT PRIORITIES ARE DISCUSSED AND DETERMINED AT THAT TIME. LEADERSHIP ALSO ASSESSES AS NEEDED FINANCIAL SUPPORT REQUESTS BY COMMUNITY ORGANIZATIONS. PRIORITY CRITERIA FOR APPROVAL ARE SERVICES SUPPORTING ELDERLY OR LOW-INCOME FAMILIES, AS WELL AS, EDUCATION AND WELLNESS *ASSESSMENT UPDATESASSESSMENT UPDATES ARE PERFORMED AND PRESENTED ANNUALLY TO THE BOARD OF DIRECTORS FOR REVIEW *COMMUNITY LEADER INPUTTHE BOARD OF DIRECTORS INCLUDES KEY COMMUNITY LEADERS WHO POSSESS SPECIAL KNOWLEDGE OF THE COMMUNITIES AND POPULATIONS WE SERVE. HOSPITAL LEADERSHIP AND STAFF MEMBERS ALSO SERVE ON SEVERAL KEY BOARDS SUCH AS HOSPICE CARE, UNITED WAY, A WOMEN'S WORK, YMCA, CHAMBERS OF COMMERCE, COMMUNITY FOOD SHARE, ECONOMIC COUNCILS, SALUD FAMILY HEALTH CLINIC, VIA AND THE EDUCATION FOUNDATION *COMMUNICATION OF COMMUNITY BENEFITINFORMATION ON ORGANIZATIONS SERVED AND FINANCIAL SUPPORT IS REPORTED IN THE HOSPITAL ANNUAL REPORT WHICH IS AVAILABLE ON LINE TO THE COMMUNITY
		PART VI, LINE 3 COMMUNICATION OF COMMUNITY BENEFITLONGMONT HAS FULL-TIME FINANCIAL COUNSELORS THAT ARE AVAILABLE TO PROVIDE GUIDANCE TO ANY PATIENT. THE CONTACT INFORMATION OF SUCH COUNSELORS, INCLUDING PHONE NUMBERS, IS COMMUNICATED VERBALLY TO PATIENTS AND THEIR FAMILIES WHEN THEY ACCESS HOSPITAL SERVICES. THE COUNSELORS DISCUSS GOVERNMENT BENEFITS AND RESOURCES THAT MIGHT BE AVAILABLE WITH PATIENTS WHO HAVE QUESTIONS OR WHO HAVE ASKED FOR MORE INFORMATION, AS WELL AS ASSIST WITH DETERMINING PATIENT ELIGIBILITY OF VARIOUS PROGRAMS. LONGMONT IS WORKING TOWARDS PROVIDING WRITTEN INFORMATION AND BROCHURES IN THE FUTURE. UPON DISCHARGE, LONGMONT PERSONNEL PROVIDE VERBAL COMMUNICATION OF CONTACT INFORMATION AND PHONE NUMBERS OF FINANCIAL COUNSELORS. INVOICES TO PATIENTS INCLUDE A PHONE NUMBER IF THEY HAVE QUESTIONS OR WOULD LIKE ASSISTANCE REGARDING FINANCIAL RESOURCES
		PART VI, LINE 4 THE COMMUNITIES THAT LONGMONT UNITED HOSPITAL SERVES ARE DESCRIBED AS FOLLOWS *GEOGRAPHIC AREA COMMUNITY BENEFIT IS PROVIDED TO COMMUNITIES IN OUR PRIMARY AND SECONDARY SERVICE AREAS. THESE SERVICE AREAS REPRESENT ROUGHLY A 20 MILE RADIUS AROUND THE HOSPITAL AND ENCOMPASS MOUNTAIN TOWNS, SUBURBAN CITIES, AND RURAL PLAINS COMMUNITIES. LONGMONT UNITED HOSPITAL, A COMMUNITY NON-FOR-PROFIT HOSPITAL, IS THE ONLY HOSPITAL IN THE PRIMARY SERVICE AREA. ZIP CODES80501 LONGMONT PSA80503 LONGMONT PSA80504 LONGMONT PSA80513 BERTHOUD PSA80530 FREDERICK PSA80540 LYONS PSA80520 FIRESTONE (80504) PSA80502 LONGMONT (80501) PSA80533 HYGIENE (80503) PSA80544 NIWOT (80503) PSA80514 DACONO PSA80542 MEAD PSA80516 ERIE PSA80534 JOHNSTOWN SSA80026 LAFAYETTE SSA80651 PLATTEVILLE SSA80621 FORT LUPTON SSA80538 LOVELAND SSA80301 BOULDER SSA80623 PLATTEVILLE (80651) SSA80541 LOVELAND (80537) SSA80537 LOVELAND SSA*DEMOGRAPHIC PROFILE INFORMATION CITY OF LONGMONT/ BOULDER COUNTY = 2010 US CENSUS BOULDER COUNTY HTTP://QUICKFACTS.CENSUS.GOV/QFD/STATES/08/08013 HTMLLONGMONT HTTP://WWW.CI.LONGMONT.CO.US/PLANNING/CENSUS/STATISTICS FROM BOULDER COMMUNITY FOUNDATION BOULDER COUNTY TRENDS REPORT 2011 & 2012HTTP://ISSUU.COM/COMFOUND/DOCS/TRENDS_2011_9 16/17 E=0 *RACIAL/ETHNIC - BOULDER COUNTY 2012 *87% WHITE *14% LATINO (ANY RACE) *4% ASIAN *1% AFRICAN AMERICAN * 4% NATIVE AMERICAN *3% TWO OR MORE RACES *5% SOME OTHER RACE *HEALTH COVERAGE IN BOULDER COUNTY *RACE 52% OF LATINOS AND 91% NON-HISPANIC WHITE HAVE HEALTHCARE COVERAGE *GENDER WOMEN 91%, MEN 81% HAVE HEALTHCARE ANNUAL INCOME 95% \$50K+, 81% \$25K-50K, 61% <25K HAVE HEALTHCARE *88% OF THE CHILDREN HAVE HEALTH COVERAGE IN 2012 *2012 EDUCATION IN BOULDER COUNTY *A SIGNIFICANT GAP IN HIGH SCHOOL GRADUATION RATES BETWEEN NON-HISPANIC WHITE AND LATINO STUDENTS EXISTS 90% VS. 61% IN BOULDER VALLEY SCHOOL DISTRICT (BVSD) AND 84% VS. 56% IN ST. VRAIN VALLEY SCHOOL DISTRICT (SVVSD) *LESS THAN HALF OF LATINO MALES IN THE ST. VRAIN VALLEY SCHOOL DISTRICT GRADUATED IN 2010 (48%) *38% OF SVVSD STUDENTS ARE ON THE FREE OR REDUCED LUNCH PROGRAM, 37% OF BVSD QUALIFY IN 2012 *ECONOMY IN BOULDER COUNTY *INDIVIDUALS BELOW POVERTY 14% *FAMILIES BELOW POVERTY 8% *CHILDREN BELOW POVERTY 13% *AN INCREASE AT THE YOUNG OR OLDER END WILL CAUSE MEDIAN HOUSEHOLD INCOME TO FALL *GROWING POVERTY AND INCOME INEQUALITY *YOUTH UNEMPLOYMENT LONG TERM PERMANENT IMPACT ON EARNINGS *HEALTH RELATED INFORMATION STATISTICS FROM BOULDER COMMUNITY FOUNDATION BOULDER COUNTY TRENDS REPORT 2011 & 2012PREGNANCY *23% OF WOMEN RECEIVE INITIAL PRENATAL CARE LATER THAN THE FIRST TRIMESTER OR NOT AT ALL *90% OF WOMEN ABSTAIN FROM CIGARETTE SMOKING DURING THE LAST THREE MONTHS OF PREGNANCY *9% OF BABIES ARE BORN WITH A LOW BIRTH WEIGHT (LESS THAN 5 POUNDS, 9 OUNCES) *INFANT MORTALITY RATE (5.8 INFANT DEATHS PER 1,000 LIVE BIRTHS) *65% OF PRESCHOOL-AGE CHILDREN RECEIVED ALL RECOMMENDED DOSES OF SIX KEY VACCINESCHILDREN *12% OF CHILDREN ARE NOT COVERED BY PRIVATE OR PUBLIC HEALTH INSURANCE *16% OF CHILDREN LIVE IN FAMILIES WITH INCOMES BELOW THE FEDERAL POVERTY LEVEL *59% OF CHILDREN HAVE A MEDICAL HOME *77% OF CHILDREN RECEIVED ALL THE ROUTINE DENTAL PREVENTIVE CARE NEEDED IN THE PAST 12 MONTHS *64% OF SCHOOL-AGE CHILDREN PARTICIPATED IN VIGOROUS PHYSICAL ACTIVITY FOR FOUR OR MORE DAYS PER WEEK *14% OF CHILDREN ARE OBESEADOLESCENTS *11% OF ADOLESCENTS ARE NOT COVERED BY PRIVATE OR PUBLIC HEALTH INSURANCE *12% OF ADOLESCENTS LIVE IN FAMILIES WITH INCOMES BELOW THE FEDERAL POVERTY LEVEL *24% OF ADOLESCENTS ATE FIVE OR MORE SERVINGS PER DAY OF FRUITS AND/OR VEGETABLES DURING THE PAST SEVEN DAYS *47% OF ADOLESCENTS PARTICIPATED IN VIGOROUS PHYSICAL ACTIVITY ON FIVE OR MORE OF THE PAST SEVEN DAYS *25% OF ADOLESCENTS HAD FIVE OR MORE DRINKS OF ALCOHOL IN A ROW ON ONE OR MORE OF THE PAST 30 DAYS *18% OF ADOLESCENTS SMOKED CIGARETTES OF ONE OR MORE OF THE PAST 30 DAYS *25% OF ADOLESCENTS FELT SO SAD OR HOPELESS ALMOST EVERY DAY FOR TWO CONSECUTIVE WEEKS DURING THE PAST 12 MONTHS THAT THEY STOPPED DOING SOME USUAL ACTIVITIES *8% OF ADOLESCENTS ATTEMPTED SUICIDE ONE OR MORE TIMES DURING THE PAST 12 MONTHS *27% OF ADOLESCENTS WERE SEXUALLY ACTIVE IN THE PAST THREE MONTHS *AMONG STUDENTS WHO HAD SEXUAL INTERCOURSE DURING THE PAST THREE MONTHS, 63% PERCENT REPORTED USING A CONDOM DURING LAST SEXUAL INTERCOURSE *TEEN FERTILITY RATE (43.4 BIRTHS TO TEEN MOTHERS PER 1,000 TEENAGE WOMEN)ADULTS *20% OF WORKING-AGE ADULTS ARE NOT COVERED BY PRIVATE OR PUBLIC HEALTH INSURANCE *77% OF ADULTS HAVE ONE (OR MORE) PERSON(S) THEY THINK OF AS THEIR PERSONAL DOCTOR OR HEALTH CARE PROVIDER *22% OF ADULTS CONSUMED FIVE OR MORE FRUITS AND/OR VEGETABLES PER DAY WITHIN THE PAST WEEK *84% OF ADULTS PARTICIPATED IN ANY PHYSICAL ACTIVITY WITHIN THE PAST MONTH *19% OF ADULTS ARE OBESE *19% OF ADULTS CURRENTLY SMOKE CIGARETTES *19% OF ADULTS BINGE DRANK (MALES HAVING FIVE OR MORE DRINKS ON ONE OCCASION, FEMALES HAVING FOUR OR MORE DRINKS ON ONE OCCASION) IN THE PAST MONTH *13% OF ADULTS REPORT THAT THEIR MENTAL HEALTH WAS NOT GOOD EIGHT OR MORE DAYS IN THE PAST MONTH *4% OF ADULTS REPORTED THAT THEY WERE DIAGNOSED WITH DIABETES *17% OF ADULTS REPORTED THAT THEY WERE DIAGNOSED WITH HIGH BLOOD PRESSUREHEALTHY AGING *95% OF OLDER ADULTS HAVE ONE (OR MORE) PERSON(S) THEY THINK OF AS THEIR PERSONAL DOCTOR OR HEALTH CARE PROVIDER *60% OF OLDER ADULTS HAVE HAD A FLU SHOT DURING THE PAST 12 MONTHS AND HAVE HAD A PNEUMONIA VACCINATION *75% OF OLDER ADULTS PARTICIPATED IN ANY PHYSICAL ACTIVITY IN THE PAST 30 DAYS *18% OF OLDER ADULTS REPORT THAT THEIR PHYSICAL HEALTH WAS NOT GOOD EIGHT OR MORE DAYS IN THE PAST MONTH *6% OF OLDER ADULTS REPORTED EIGHT OR MORE DAYS OF LIMITED ACTIVITY IN THE PAST MONTH DUE TO POOR PHYSICAL OR MENTAL HEALTHSTATISTICS CENTER OF DISEASE CONTROL AND PREVENTION *HEART DISEASE 2009 AGE OVER 35 DEATH RATES PER 100,000 BOULDER COUNTY 263, 3% DECREASE SINCE 2007LARIMER 258, 4% DECREASE SINCE 2007WELD 308, 13% DECREASE SINCE 2007 *CANCER 2008 TOP THREE INCIDENT RATES PER 100,000 IN COPROSTATE 145, 10% DECREASE SINCE 2006FEMALE BREAST 124, 2% INCREASE SINCE 2006LUNG AND BRONCHUS 50, 3% INCREASE SINCE 2006 *DIABETES 2009 ADULTS DIAGNOSED DIABETES BOULDER COUNTY 4%, 22% INCREASE SINCE 2007LARIMER 5%, 11% INCREASE SINCE 2007WELD 6%, 9% CHANGE SINCE 2007HTTP://APPS.NCDD.CDC.GOV/DDT_STRS2/COUNTYPREVALENCEDATA.ASPX? STATEID=88MODE=NBCD *ARTHRITIS 24% OF ADULTS IN CO REPORTED BEING DIAGNOSED WITH ARTHRITIS NO INCREASE SINCE 2007 *IN CO, 16% OF THE ADULT POPULATION (AGED 18+ YEARS) ARE CURRENT CIGARETTE SMOKERS CONTINUING A DOWNWARD TREND SINCE 1996 *21% OF ADULTS IN CO WERE OVERWEIGHT OR OBESE PROVISIONS FOR UNINSURED *LONGMONT UNITED HOSPITAL PROVIDES A SAFETY NET FOR UNINSURED PERSONS THROUGH THE FOLLOWING *LONGMONT UNITED HOSPITAL PROVIDES THE HIGHEST PERCENTAGE OF CHARITY CARE IN BOULDER COUNTY *SUBSIDIZING AND SUPPORTING THE SALUD FAMILY HEALTH CENTERS, A LOW-INCOME PRIMARY HEALTHCARE SERVICE *SUPPORTING BOULDER VALLEY WOMEN'S HEALTH CENTER WHO PROVIDES QUALITY HEALTHCARE AND SERVICES REGARDLESS OF A CLIENT'S INSURED STATUS, ECONOMIC CIRCUMSTANCES OR IMMIGRATION STATUS
		PART VI, LINE 5 LONGMONT UNITED HOSPITAL IMPROVES THE HEALTH OF THE COMMUNITY THROUGH SUPPORT OR PARTNERSHIPS IN ACTIVITIES OR ORGANIZATIONS FOCUSED ON BETTER HEALTH FOR EVERYONE IN THE COMMUNITY. LISTED BELOW ARE THE KEY INITIATIVES WITH EXPLANATIONS IN WHICH THE HOSPITAL IS INVOLVED *HEALTH PROFESSIONALS EDUCATIONCOLLEGES AND UNIVERSITIES WORK WITH THE HOSPITAL TO FACILITATE PROGRAMS TO ASSIST INDIVIDUALS IN COMPLETING THE HEALTH CARE CERTIFICATIONS. LONGMONT UNITED HOSPITAL OFFERS ONE-ON-ONE TRAINING THAT IS NEEDED TO BEGIN WORK IN THE HEALTHCARE FIELD *SENIOR HEALTH EDUCATION AND SERVICESINCE 1991, LONGMONT UNITED HOSPITAL HAS OFFERED A SENIOR WELLNESS PROGRAM TO EMPOWER THE SENIOR COMMUNITY TO ASSUME RESPONSIBILITY FOR THEIR HEALTH AND WELLNESS BY PROVIDING THE REQUISITE KNOWLEDGE, RESOURCES AND TOOLS TO ACCOMPLISH THAT GOAL. AT THE END OF 2012, THERE WERE 856 MEMBERS PARTICIPATING IN EDUCATION PROGRAMS, HEALTH CLINICS AND LOW-COST LABORATORY SERVICES *LOW-INCOME PRIMARY HEALTH CARE SERVICESPRIMARY HEALTH CARE SERVICES ARE OFFERED TO IMPROVE ACCESS AND REDUCE BARRIERS TO CARE INCLUDING ABILITY TO PAY, TRANSPORTATION, AND LANGUAGE. ALL SERVICES ARE DESIGNED TO REDUCE HEALTH DISPARITIES AND DELIVERED TO ALL COMMUNITY MEMBERS, WITHOUT REGARD TO AGE, SEX OR DISEASE PROCESS. THE POPULATION SERVED INCLUDES ALL COMMUNITY MEMBERS WITH THE LOW-INCOME AND THE MEDICALLY UNDERSERVED POPULATION AS THE PRIORITY CLIENTELE. THIS INCLUDES THE MIGRANT AND SEASONAL FARM WORKERS POPULATION. PATIENTS ARE NOT TURNED AWAY BASED ON A PATIENT'S FINANCES, INSURANCE COVERAGE, OR ABILITY TO PAY *LACTATION CONSULTINGQUALIFIED LACTATION SPECIALISTS EDUCATE ON THE BENEFITS OF BREASTFEEDING, HOW THE PROCESS WORKS, PROPER POSITIONING, PREVENTION OF COMMON DIFFICULTIES, AND MANAGING BREASTFEEDING WHEN WORKING OUTSIDE THE HOME. CULTURES EXIST IN OUR COMMUNITIES THAT DO NOT UNDERSTAND THESE BENEFITS OR HAVE TO GO AGAINST PRACTICED BELIEFS IN THEIR COMMUNITY. STUDIES REPEATEDLY PROVE THE INFANT WILL RECEIVE HEALTH BENEFITS BY BREASTFEEDING *COMMUNITY SUPPORT SERVICES MOBILITY OPTIONS ARE PROVIDED TO ALL PEOPLE, REGARDLESS OF AGE, HEALTH, DISABILITY, INCOME OR ETHNICITY OR SEXUAL ORIENTATION TO ENHANCE THEIR INDEPENDENCE AND QUALITY OF LIFE. IN 2012, THIS INCLUDED 873,610 TRIPS ON THE HOP (PUBLIC TRANSPORTATION), 99,758 TRIPS ON ACCESS-A-RIDE AND 134,885 TRIPS ON CALL-N-RIDE. ONE-WAY DEMAND-RESPONSE TRIPS WERE 111,383 WITH 19% OF THESE TRIPS FOR MEDICAL AND THERAPY PURPOSES. *PROMOTION OF LIFESTYLE CHANGES AND PREVENTION ORGANIZATIONS THROUGHOUT COLORADO ARE JOINING TOGETHER TO PROMOTE ACTIVE LIVING AND HEALTHY EATING. THEIR PRIMARY FOCUSES ARE ON ESTABLISHING OBESITY PREVENTION INITIATIVES, AS WELL AS, HAVING HEALTHY FOODS AND PHYSICAL ACTIVITY ACCESSIBLE IN PLACES WHERE COLORADANS LIVE, WORK, LEARN AND PLAY. EFFORTS ARE DIRECTED TO WORKING STRATEGICALLY WITH STAKEHOLDERS TO ACHIEVE OVERALL HEALTHY LIVING IN ALL COLORADO COMMUNITIES. *COMMUNITY BUILDING ACTIVITIESMAINTAIN HEALTHY COMMUNITIES THROUGH SUPPORTING THE CREATION AND RETENTION OF JOBS AND INDUSTRIES IN SURROUNDING COMMUNITIES. BUILD A BUSINESS ENVIRONMENT THAT ENCOURAGES NEW INDUSTRY TO THESE COMMUNITIES
		PART VI, LINE 6 NOT APPLICABLE
STATE FILING OF COMMUNITY BENEFIT REPORT	PART VI, LINE 7	COLORADO

**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

2012

Open to Public Inspection

Name of the organization
LONGMONT UNITED HOSPITAL

Employer identification number
84-0460697

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.
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[illegible]

2	Enter total number of section 501(c)(3) and government organizations listed in the line 1 table	▶	<u>3</u>
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
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 ALL DONATIONS ARE BASED ON COMMUNITY NEED IN ORDER TO ASSESS THE COMMUNITY NEEDS, MEMBERS OF THE LEADERSHIP COUNCIL HAVE FORMED LONG-TERM PROFESSIONAL RELATIONSHIPS WITH THE RECIPIENT ORGANIZATIONS NO DONATIONS ARE MADE WITHOUT THIS LONG-TERM RELATIONSHIP BEING IN PLACE

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 LONGMONT UNITED HOSPITAL	Employer identification number 84-0460697
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Part I	Questions Regarding Compensation		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. ☐ First-class or charter travel ☐ Travel for companions ☐ Tax idemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ 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 ☒ Independent compensation consultant ☒ Form 990 of other organizations ☐ Written employment contract ☒ Compensation survey or study ☒ 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		No
c	Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	4c		No
	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? If "Yes," to line 5a or 5b, describe in Part III	5b		No
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? If "Yes," to line 6a or 6b, describe in Part III	6b		No
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 accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	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
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Software ID:
Software Version:
EIN: 84-0460697
Name: LONGMONT UNITED 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				
MITCHELL C CARSON	(i)	546,457	0	30,279	0	144,784	721,520	0
	(ii)	0	0	0	0	0	0	0
NEIL BERTRAND	(i)	325,101	0	4,708	0	86,520	416,329	0
	(ii)	0	0	0	0	0	0	0
CAROL SMITH	(i)	223,866	0	2,334	0	59,050	285,250	0
	(ii)	0	0	0	0	0	0	0
NANCY DRISCOLL	(i)	204,334	0	1,314	0	48,299	253,947	0
	(ii)	0	0	0	0	0	0	0
REBECCA HERMAN	(i)	201,728	0	1,486	0	48,311	251,525	0
	(ii)	0	0	0	0	0	0	0
WARREN LAUGHLIN	(i)	187,478	0	1,346	0	47,676	236,500	0
	(ii)	0	0	0	0	0	0	0
JOHN PETERSON	(i)	158,709	0	1,498	0	44,702	204,909	0
	(ii)	0	0	0	0	0	0	0
JOHN IVES	(i)	153,807	0	641	0	13,399	167,847	0
	(ii)	0	0	0	0	0	0	0
MAUREEN BEAVIN	(i)	150,344	0	590	0	15,397	166,331	0
	(ii)	0	0	0	0	0	0	0
DANIEL FRANK	(i)	149,427	0	620	17,000	20,210	187,257	0
	(ii)	0	0	0	0	0	0	0
AMY JOHNSON	(i)	348,985	0	5,722	0	23,291	377,998	0
	(ii)	0	0	0	0	0	0	0
HEATHER KEENE	(i)	343,984	0	1,562	0	16,577	362,123	0
	(ii)	0	0	0	0	0	0	0
MURRY DRESCHER	(i)	140,213	100,000	3,500	0	9,480	253,193	0
	(ii)	0	0	0	0	0	0	0
FABIO PIVETTA	(i)	202,508	0	2,889	0	21,331	226,728	0
	(ii)	0	0	0	0	0	0	0
SUE MEYER	(i)	181,117	10,315	1,427	0	11,305	204,164	0
	(ii)	0	0	0	0	0	0	0

Schedule K
(Form 990)

Supplemental Information on Tax Exempt Bonds

OMB No 1545-0047

2012

Open to Public
Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
LONGMONT UNITED HOSPITAL

Employer identification number
84-0460697

Part I

Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	COLORADO HEALTH FACILITIES AUTHORITY	84-0752932	196474M49	12-01-2003	14,915,000	REFUND SERIES 1993 BONDS		X		X		X
B	COLORADO HEALTH FACILITIES AUTHORITY	84-0752932	000000000	06-12-2006	40,000,000	HOSPITAL CONSTRUCTION & EQUIPMENT		X		X		X
C	COLORADO HEALTH FACILITIES AUTHORITY	84-0752932	1964744D9	06-12-2006	48,965,000	REFUND SERIES 1997 & 2000 BONDS		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired								
2	Amount of bonds legally defeased								
3	Total proceeds of issue	16,132,365		40,000,000		53,470,608			
4	Gross proceeds in reserve funds	1,281,287				3,837,809			
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows	14,149,510				47,852,141			
7	Issuance costs from proceeds	713,544		174,400		1,804,467			
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	39,825,600		39,825,600					
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2008		2008		YesNoYesNo			
		Yes	No	Yes	No				
14	Were the bonds issued as part of a current refunding issue?		X		X		X		
15	Were the bonds issued as part of an advance refunding issue?	X			X	X			
16	Has the final allocation of proceeds been made?	X		X		X			
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X			

Part III

Private Business Use

		A		B		C		D	
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?	Yes	No	Yes	No	Yes	No	Yes	No
			X		X		X		
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X		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		X		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		X		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 00000%		0 00000%		0 00000%		%	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0 00000%		0 00000%		0 00000%		%	
6	Total of lines 4 and 5	0 00000%		0 00000%		0 00000%		%	
7	Does the bond issue meet the private security or payment test?		X		X		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		X		X		
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X		X		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		X		X			
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?								
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		X		X		
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X		
b	Name of provider								
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		X		X		
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X		X		X		
7	Has the organization established written procedures to monitor the requirements of section 148?	X		X		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		X		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
PART III	PRIVATE BUSINESS USE	THE 2003 HOSPITAL REVENUE BONDS (REFUNDING THE SERIES 1993 BONDS) AND THE 2006B HOSPITAL REVENUE BONDS (REFUNDING THE SERIES 1997 & 2000 BONDS) QUALIFY FOR THE SPECIAL RULES FOR REFUNDING OF PRE-2003 ISSUES SUCH REFUNDING BONDS ARE SUBJECT TO THE GENERALLY APPLICABLE REPORTING REQUIREMENTS OF PART I, II & IV OF SCH K HOWEVER, THE ORGANIZATION NEED NOT COMPLETE PART III TO REPORT PRIVATE BUSINESS USE INFORMATION

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
LONGMONT UNITED HOSPITAL**Employer identification number**

84-0460697

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 1	THE EXECUTIVE COMMITTEE SHALL CONSIST OF THE CHAIRPERSON OF THE BOARD, AS CHAIRPERSON, THE VICE-CHAIRPERSON, THE TREASURER, THE SECRETARY, THE ASSISTANT SECRETARY-TREASURER, AND THE PRESIDENT AND CEO. THE EXECUTIVE COMMITTEE SHALL HAVE THE POWER TO TRANSACT ALL REGULAR BUSINESS AND OTHER CONFIDENTIAL MATTERS OF THE HOSPITAL DURING THE INTERIM BETWEEN THE MEETINGS OF THE BOARD OF DIRECTORS, PROVIDED THAT ANY ACTION TAKEN SHALL NOT CONFLICT WITH POLICIES AND EXPRESSED WISHES OF THE BOARD OF DIRECTORS, THAT THERE ARE AT LEAST THREE (3) AFFIRMATIVE VOTES TO INITIATE ANY ACTION, AND ALL MATTERS OF MAJOR IMPORTANCE SHOULD BE REFERRED TO THE BOARD OF DIRECTORS. THE EXECUTIVE COMMITTEE SHALL REVIEW PROPOSALS AND ADVISE, AS NECESSARY, REGARDING PLANNING AND DEVELOPMENT OF THE HOSPITAL PHYSICAL PLANT, PROGRAMS, AND SERVICES. IT SHALL ALSO BE THE RESPONSIBILITY OF THE EXECUTIVE COMMITTEE TO NOMINATE CANDIDATES FOR OFFICERS AND MEMBERS OF THE BOARD WHEN VACANCIES ARE TO BE FILLED. SUCH NOMINATIONS FOR CANDIDATES SHALL BE SUBMITTED IN WRITING TO THE SECRETARY OF THE BOARD AT LEAST THIRTY (30) DAYS PRIOR TO THE DATE OF THE MEETING AT WHICH CANDIDATES SHALL BE ELECTED. SPECIFICALLY, THIS COMMITTEE SHALL BE RESPONSIBLE FOR THE ANNUAL PERFORMANCE EVALUATION OF THE PRESIDENT AND CEO. THIS COMMITTEE, MINUS THE PRESIDENT AND CEO, WILL ALSO SERVE AS THE EXECUTIVE COMPENSATION COMMITTEE. THIS COMMITTEE SHALL MEET AT LEAST QUARTERLY.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 1	DR PATRICIA GILL AND DR MARK HINMAN ARE COMPENSATED FOR MEDICAL SERVICES PROVIDED TO LONGMONT UNITED HOSPITAL RATHER THAN BOARD MEMBERSHIP

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	THE ORGANIZATION ENGAGES A PAID PREPARER EXPERIENCED IN THE PREPARATION OF FORM 990 TO PREPARE THE FORM. ACCOUNTING DEPARTMENT STAFF AND THE CONTROLLER WORK CLOSELY WITH THE PAID PREPARER IN THE PREPARATION OF THE RETURN AND THE CONTROLLER AND CFO REVIEW THE RETURN AS PREPARED BY THE PREPARER. IT IS REVIEWED BY THE AUDIT COMMITTEE, A SUBCOMMITTEE OF THE BOARD OF DIRECTORS BEFORE IT IS FILED. COPIES OF THE FORM 990 ARE PROVIDED TO THE BOARD. THE ORGANIZATION THEN DISCUSSES ANY CHANGES OR ISSUES THAT THE AUDIT COMMITTEE/BOARD MAY HAVE. ONCE QUESTIONS/ISSUES HAVE BEEN ADDRESSED AND THE FORM APPROVED, THE RETURN IS THEN BE FILED.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	AN ANNUAL CONFLICT OF INTEREST STATEMENT IS DISTRIBUTED AND SIGNED BY ALL MEMBERS OF EXECUTIVE MANAGEMENT AND DEPARTMENT DIRECTORS, AS WELL AS EVERY MEMBER OF THE BOARD OF DIRECTORS WHEN A CONFLICT IS IDENTIFIED, THAT PERSON MUST RECUSE THEMSELVES FROM ANY DISCUSSION CONCERNING THE CONFLICTING PERSON OR ORGANIZATION

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	IN 2011, INTEGRATED HEALTHCARE STRATEGIES (IHSTRATEGIES), AN INDEPENDENT COMPENSATION CONSULTANT, PERFORMED A THOROUGH COMPENSATION STUDY IHSTRATEGIES ANALYZED LONGMONT UNITED HOSPITAL'S (LUH) EXECUTIVE CASH COMPENSATION AND BENEFITS PROGRAM TO ASSESS COMPETITIVENESS, COST-EFFECTIVENESS, TAX-EFFECTIVENESS, AND REASONABLENESS IHSTRATEGIES BASED ITS COMPARISONS ON COMPETITIVE PRACTICES IN LUH'S PEER GROUP, USING THEIR PROPRIETARY DATABASE AND PUBLISHED SURVEYS IN 2014, LUH IS PLANNING TO ENGAGE IN ANOTHER THOROUGH COMPENSATION STUDY IN THE INTERMITTENT YEARS, THE CONSULTANT PROVIDES LIMITED RECOMMENDATIONS ON COMPENSATION RANGES THAT LUH FOLLOWS IHSTRATEGIES - COLLECTED AND REVIEWED BACKGROUND INFORMATION FROM LUH, INCLUDING ORGANIZATIONAL DEMOGRAPHICS, JOB DESCRIPTIONS, ORGANIZATION CHARTS, AND CURRENT COMPENSATION DATA - CONDUCTED TELEPHONE CALLS WITH LUH'S CEO AND VICE PRESIDENT, HUMAN RESOURCES TO DISCUSS JOB CONTENT AND SCOPE OF RESPONSIBILITY FOR THE POSITIONS INCLUDED IN THIS REVIEW - MATCHED LUH'S EXECUTIVE POSITIONS WITH SIMILAR BENCHMARK JOBS BASED ON JOB CONTENT, SCOPE OF RESPONSIBILITY, AND REPORTING RELATIONSHIPS - COMPARED EXECUTIVE SALARIES AT LUH TO PEER GROUP SALARY LEVELS - COMPARED EXECUTIVE BENEFIT EXPENDITURES AT LUH TO COMPETITIVE INDUSTRY PRACTICES - COMPARED EXECUTIVE TOTAL COMPENSATION (SALARIES PLUS BENEFITS) AT LUH TO PEER GROUP LEVELS - IHSTRATEGIES PRESENTED THIS INFORMATION TO THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS IN A WRITTEN REPORT - THE COMPENSATION COMMITTEE REVIEWED AND DISCUSSED THE FINDINGS OF THE COMPENSATION STUDY AND APPROVED THE EXECUTIVE COMPENSATION OF THE KEY EXECUTIVES THIS DISCUSSION AND DELIBERATION PROCESS WAS DOCUMENTED IN THE COMMITTEE'S MEETING MINUTES

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST

Identifier	Return Reference	Explanation
TEMPORARILY RESTRICTED NET ASSETS	FORM 990, PART X, LINE 28	LONGMONT UNITED HOSPITAL FOUNDATION (THE FOUNDATION) WAS FORMED TO PLAN, ORGANIZE, INSTITUTE, AND ADMINISTER PROJECTS THAT PROVIDE PUBLIC SUPPORT FOR THE HOSPITAL. IN THE ABSENCE OF DONOR RESTRICTIONS, THE FOUNDATION'S BOARD OF DIRECTORS HAS DISCRETIONARY CONTROL OVER THE AMOUNTS TO BE DISTRIBUTED TO THE HOSPITAL, THE TIMING OF SUCH DISTRIBUTIONS, AND THE PURPOSES FOR WHICH SUCH FUNDS ARE TO BE USED. TWO MEMBERS OF THE HOSPITAL'S BOARD OF DIRECTORS SERVE ON THE 14-MEMBER BOARD OF DIRECTORS OF THE FOUNDATION. UNDER U.S. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, THE HOSPITAL IS DEEMED TO BE A FINANCIALLY INTERRELATED BENEFICIARY OF THE FOUNDATION. THEREFORE, THE NET ASSETS OF THE FOUNDATION HAVE BEEN SHOWN ON THE HOSPITAL'S CONSOLIDATED BALANCE SHEETS AS TOTAL NET ASSETS HELD BY LONGMONT UNITED HOSPITAL FOUNDATION. THE NET ASSETS OWNED BY THE FOUNDATION ARE REFLECTED IN TEMPORARILY RESTRICTED NET ASSETS.

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 9	CHANGE IN INTEREST IN NET ASSETS HELD BY LUHF 263,561 UNRELATED BUSINESS INCOME FROM K-1 -21,669

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
LONGMONT UNITED HOSPITAL

Employer identification number
84-0460697

Part I

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) LONGMONT UNITED LAND HOLDING LLC 1950 W MOUNTAIN VIEW AVE LONGMONT, CO 80501 84-1554099	REAL ESTATE	CO	56,948	256,879	LUH
(2) LE DEAUVILLE LLC 1950 W MOUNTAIN VIEW AVE LONGMONT, CO 80501 20-4781464	RENTAL	CO	747,612	5,166,348	LUH
(3) MILESTONE MEDICAL GROUP 1950 W MOUNTAIN VIEW AVE LONGMONT, CO 80501 38-3842918	MEDICAL SERVICES	CO	3,453,509	-3,643,677	LUH

Part II

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end- of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) LMC COMM LLC 1950 WEST MOUNTAIN VIEW AVE LONGMONT, CO 80501 75-3081353	VOICE & DATA	CO	LULH LLC	UNRELATED	21,669	34,654		No	21,669	Yes		50 000 %
(2) TRI-TOWN LLC 1950 WEST MOUNTAIN VIEW AVE LONGMONT, CO 80501 33-1035669	OFFICE LEASING	CO	LULH LLC	RELATED	64,058	2,078,800		No		Yes		50 000 %
(3) TWIN PEAKS LLC 1950 WEST MOUNTAIN VIEW AVE LONGMONT, CO 80501 73-1656489	IMAGING	CO	LUH	RELATED	- 5,922	549,640		No		Yes		50 000 %
(4) LUH ORTHOPEDIC AND SPINE CO- MANAGEMENT COMPANY LLC 1950 W MTN VIEW AVE LONGMONT, CO 80501 45-4432224	MANAGEMENT SERVICES	CO	LUH	RELATED	132,475	178,481		No			No	27 780 %

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) UNITED MEDICAL BLDG CONDOMINIUM ASSOC 1950 WEST MOUNTAIN VIEW AVE LONGMONT, CO 80501 84-1526130	CONDO ASSOCIATION	CO	LUH	C	408,662	68,553	91 780 %	Yes	

Part V

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

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

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

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

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

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

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

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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

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

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

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

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

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

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

Yes

No

1a Yes

1b No

1c No

1d No

1e No

1f No

1g No

1h No

1i No

1j No

1k No

1l No

1m No

1n No

1o No

1p No

1q Yes

1r No

1s No

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

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) UNITED MEDICAL BLDG CONDOMINIUM ASSOC	A	68,705	FMV

Schedule R (Form 990) 2012

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

[illegible]

Part VII **Supplemental Information**

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

Identifier	Return Reference	Explanation
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Software ID:
Software Version:
EIN: 84-0460697
Name: LONGMONT UNITED HOSPITAL

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

**Consolidated Financial Statements
and
Independent Auditors' Report
December 31, 2012 and 2011**



LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Longmont United Hospital Inc. and Affiliates
Longmont, Colorado

We have audited the accompanying consolidated financial statements of Longmont United Hospital Inc. and Affiliates, which are comprised of the consolidated balance sheets as of December 31, 2012 and 2011, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Longmont United Hospital Inc. and Affiliates as of December 31, 2012 and 2011, and the change in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

REPORT ON CONSOLIDATING INFORMATION

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 28 to 31 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual entities and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

EKS&H LLLP
EKS&H LLLP

April 15, 2013
Denver, Colorado

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

Consolidated Balance Sheets

	December 31,	
	2012	2011
Assets		
Current assets		
Cash and cash equivalents	\$ 13,747,413	\$ 11,667,079
Assets limited as to use required for current liabilities	3,777,122	3,634,969
Patient accounts receivable, net of allowance for uncollectible accounts of approximately \$4,592,000 in 2012 and \$4,340,000 in 2011	21,489,412	20,361,515
Contributions receivable	321,875	256,683
Receivables from related parties	22,713	32,371
Interest receivable	29,694	18,098
Supplies inventory	4,453,576	5,249,684
Prepaid expenses and other	3,666,837	3,239,498
Total current assets	<u>47,508,642</u>	<u>44,459,897</u>
Assets limited as to use		
Board-designated for funded depreciation	73,031,090	70,625,161
Restricted by bond indenture	<u>16,019,133</u>	<u>5,118,373</u>
	89,050,223	75,743,534
Less amount required for current liabilities	<u>(3,777,122)</u>	<u>(3,634,969)</u>
Total assets limited as to use	85,273,101	72,108,565
Contributions receivable	152,205	135,205
Land, buildings, and equipment, net	106,007,716	108,037,551
Other assets		
Notes receivable	244,425	261,379
Other investments	5,050,488	4,322,395
Bond issuance costs, net of accumulated amortization of \$914,042 in 2012 and \$932,947 in 2011	1,864,009	1,902,174
Net assets held by Longmont United Hospital Foundation	<u>3,390,510</u>	<u>3,126,949</u>
Total assets	<u>\$ 249,491,096</u>	<u>\$ 234,354,115</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 10,899,628	\$ 11,345,283
Accrued salaries, wages, and employee benefits	6,282,983	5,634,016
Accrued interest	355,437	367,275
Estimated payable to contractual agencies	3,454,618	3,704,409
Current installments of long-term debt	3,653,820	3,490,717
Other	<u>162,265</u>	<u>166,214</u>
Total current liabilities	24,808,751	24,707,914
Long-term debt, net of current installments	<u>102,877,638</u>	<u>91,566,932</u>
Total liabilities	<u>127,686,389</u>	<u>116,274,846</u>
Commitments and contingencies		
Net assets		
Unrestricted	<u>118,245,555</u>	<u>114,800,676</u>
Temporarily restricted		
Held by Longmont United Hospital, Inc	168,642	151,644
Held by Longmont United Hospital Foundation	<u>3,390,510</u>	<u>3,126,949</u>
Total temporarily restricted net assets	<u>3,559,152</u>	<u>3,278,593</u>
Total net assets	<u>121,804,707</u>	<u>118,079,269</u>
Total liabilities and net assets	<u>\$ 249,491,096</u>	<u>\$ 234,354,115</u>

See notes to consolidated financial statements.

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

Consolidated Statements of Operations

	For the Years Ended December 31,	
	2012	2011
Unrestricted revenue		
Patient service revenue (net of contractual allowances and discounts)	\$ 179,314,537	\$ 173,592,674
Provision for bad debts	<u>(14,850,941)</u>	<u>(15,869,738)</u>
Net patient service revenue less provision for bad debts	164,463,596	157,722,936
Other operating revenue	3,861,224	3,934,935
Net assets released from restrictions	<u>33,349</u>	<u>15,130</u>
Total unrestricted revenue	<u>168,358,169</u>	<u>161,673,001</u>
Expenses		
Salaries, wages, and employee benefits	78,664,859	75,173,569
Supplies and other	68,158,385	63,201,425
Specialists' fees	6,373,672	6,295,945
Depreciation	10,305,742	10,401,898
Interest and amortization	<u>4,556,655</u>	<u>4,766,804</u>
Total expenses	<u>168,059,313</u>	<u>159,839,641</u>
Income from operations	298,856	1,833,360
Other income		
Investment income and other, net	<u>2,800,218</u>	<u>2,311,804</u>
Excess of unrestricted revenue over expenses	3,099,074	4,145,164
Other changes in unrestricted net assets		
Unrealized gain (loss) on investments	<u>345,805</u>	<u>(32,870)</u>
Increase in unrestricted net assets	<u>\$ 3,444,879</u>	<u>\$ 4,112,294</u>

See notes to consolidated financial statements.

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

Consolidated Statements of Changes in Net Assets

		For the Years Ended December 31,	
		<u>2012</u>	<u>2011</u>
Unrestricted net assets			
Excess of unrestricted revenue over expenses		\$ 3,065,725	\$ 4,130,034
Net assets released from restrictions used for purchase of property and equipment		33,349	15,130
Unrealized gain (loss) on investments		<u>345,805</u>	<u>(32,870)</u>
Increase in unrestricted net assets		<u>3,444,879</u>	<u>4,112,294</u>
Temporarily restricted net assets			
Contributions		✓50,347	28,630
Net assets released from restrictions		<u>(33,349)</u>	<u>(15,130)</u>
Increase in temporarily restricted net assets held by Longmont United Hospital, Inc.		16,998	13,500
Change in interest in net assets held by Longmont United Hospital Foundation		<u>263,561</u>	<u>97,974</u>
Total increase in temporarily restricted net assets		<u>280,559</u>	<u>111,474</u>
Change in net assets		3,725,438	4,223,768
Net assets, beginning of year	UMB change in NA Beg of year -5,332 End of year <u>-35,173</u> Change -29,841	<u>118,079,269</u>	<u>113,855,501</u>
Net assets, end of year		<u>\$ 121,804,707</u>	<u>\$ 118,079,269</u>
	Less UMB EOY NA (-35,173) EOY NA = 121,839,880		

See notes to consolidated financial statements.

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

Consolidated Statements of Cash Flows

	December 31,	
	2012	2011
Cash flows from operating activities		
Change in net assets	\$ 3,725,438	\$ 4,223,768
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	10,393,420	10,491,936
Unrealized (gain) loss on investments	(345,805)	32,870
Provision for uncollectible patient accounts	14,850,941	15,869,738
Change in assets owned by Longmont United Hospital Foundation	(263,561)	(97,974)
Changes in operating assets and liabilities		
Patient accounts receivable	(15,978,838)	(13,636,923)
Contributions receivable	(82,192)	(75,745)
Receivables from related parties	9,658	(12,174)
Interest receivable	(11,596)	24,885
Supplies inventory	796,108	733,197
Prepaid expenses and other	(427,339)	(747,073)
Accounts payable	(445,655)	(2,608,096)
Accrued salaries, wages, and employee benefits	648,967	(251,812)
Accrued interest	(11,838)	(19,684)
Estimated payable to contractual agencies	(249,791)	512,409
Other liabilities	(3,949)	7,301
Net cash provided by operating activities	<u>12,603,968</u>	<u>14,446,623</u>
Cash flows from investing activities		
Proceeds from sale of fixed assets	43,491	559,524
Purchase of land, buildings, and equipment	(8,319,398)	(7,513,221)
Purchases of investments	(91,291,749)	(59,110,308)
Maturities of investments	89,231,625	50,743,432
Other investments	(728,093)	(340,527)
Payments on notes receivable	16,954	17,784
Net cash used in investing activities	<u>(11,047,170)</u>	<u>(15,643,316)</u>
Cash flows from financing activities		
Issuance of new debt	15,000,000	-
Debt issuance costs	(85,000)	-
Change in funds required by bond indenture	(10,900,760)	(5,273)
Repayment of long-term debt	(3,490,704)	(3,270,080)
Net cash provided by (used in) financing activities	<u>523,536</u>	<u>(3,275,353)</u>
Increase (decrease) in cash and cash equivalents	2,080,334	(4,472,046)
Cash and cash equivalents, beginning of year	<u>11,667,079</u>	<u>16,139,125</u>
Cash and cash equivalents, end of year	<u>\$ 13,747,413</u>	<u>\$ 11,667,079</u>

Supplemental disclosure of cash flow information:

Cash paid during the year for interest, net of amount capitalized	\$ 4,473,768	\$ 4,686,304
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See notes to consolidated financial statements.

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies

Organization

Longmont United Hospital, Inc. (the “Hospital”) is a Colorado non-profit corporation. The Hospital is licensed for 186 beds as an acute care facility and 15 skilled nursing beds, and is located in Longmont, Colorado. The Hospital provides inpatient, outpatient, emergency care, and skilled nursing facility services, generally for residents of Northern Colorado. Admitting physicians are primarily practitioners in the local area.

The Hospital established the United Medical Building Condominium Association (“UMB”), a non-profit organization, for the purpose of maintenance, control, and operations of the general common elements of the UMB. The Hospital holds 92% of the membership, and the space is either occupied by the Hospital’s departments or leased to third-party unaffiliated medical practices by the Hospital.

Longmont United Land Holding LLC (“LULH LLC”) is a limited liability company organized for the purpose of constructing a medical office building on the South Campus. LULH LLC sold its ownership interest in that medical office building in 2003 and now owns only 17% of a small parcel of undeveloped land, as well as two 50% joint venture interests. The Hospital owns 100% of LULH LLC.

Le Deauville LLC (“Le Deauville”) is a limited liability company organized for the purpose of operating the Le Deauville Apartments, a 100-unit apartment complex located on land contiguous to the Hospital campus. In May 2006, the Longmont United Hospital Foundation (the “Foundation”) purchased Le Deauville with the ultimate intent of transferring this property to the Hospital for future expansion. Effective January 1, 2008, the Foundation assigned the membership interest and membership rights of Le Deauville to the Hospital. In connection with the assignment agreement, the Foundation entered into an assumption and indemnification agreement whereby the Hospital assumed the Foundation’s position on the outstanding mortgage payable.

Milestone Medical Group (“Milestone”) is a Colorado non-profit corporation organized for the purpose of providing professional medical services in the community. Milestone is a wholly owned subsidiary of the Hospital. As of December 31, 2012, Milestone employed 11 physicians and eight mid-level providers in Family Practice, OB/GYN, Internal Medicine, and Cardiology specialties.

The accompanying consolidated financial statements include the accounts of the Hospital, UMB, LULH LLC, Le Deauville, and Milestone. All significant intercompany balances and transactions have been eliminated in consolidation.

The Foundation was formed to plan, organize, institute, and administer projects that provide support for the Hospital. In the absence of donor restrictions, the Foundation’s Board of Directors (“Board”) has discretionary control over the amounts to be distributed to the Hospital, the timing of such distributions, and the purposes for which such funds are to be used. Two members of the Hospital’s Board of Directors serve on the 14-member Board of the Foundation.

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

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

Organization (continued)

Under U.S. generally accepted accounting principles, the Hospital is deemed to be a financially interrelated beneficiary of the Foundation. Therefore, the net assets of the Foundation have been shown on the Hospital's consolidated balance sheets as total net assets held by the Foundation. The net assets owned by the Foundation are reflected in temporarily restricted net assets. Contributions made by the Foundation to the Hospital during the years ended December 31, 2012 and 2011 were approximately \$50,000 and \$29,000, respectively.

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting.

The net assets, revenue, gains, and other support in the accompanying consolidated financial statements are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Hospital and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that generally are not subject to donor-imposed restrictions.

Temporarily Restricted Net Assets – Net assets whose use by the Hospital or distribution by the Foundation has been limited by donors for a specific purpose. These restrictions may or will be met either with actions of the Hospital and/or with the passage of time. Restricted gifts and other restricted resources are recorded as direct additions to the appropriate restricted fund. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of operations as net assets released from restrictions. Resources set aside for Board-designated purposes are considered to be limited as to use; however, they are not considered to be restricted, as the Board can redesignate these assets at any time.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses and changes in net assets during the reporting period. Actual results could differ from those estimates. Significant estimates in the Hospital's consolidated financial statements are the reserve for uncollectible accounts receivable, contractual allowances under third-party reimbursement programs, net patient service revenue, provision for bad debts, third-party settlements, claims payable, and remaining useful lives of long-lived assets.

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

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

Cash and Cash Equivalents

Funds not otherwise limited as to use with original maturities of three months or less when purchased are considered cash equivalents. At December 31, 2012 and 2011, cash equivalents are amounts that are primarily invested in money market accounts.

Assets Limited as to Use

Assets limited as to use include assets held in investment accounts designated by the Board for future capital improvements, over which the Board retains control, and assets held by trustees under bond indenture agreements.

Investments and Investment Income

Investments are stated at fair value based upon quoted market prices and consist of federal agency securities, commercial paper, and bank certificates of deposit. All investments have traditionally been held to maturity.

Investment income on proceeds of borrowings that are held by a trustee, to the extent not capitalized, and investment income and realized gains and losses from all other investments are reported as other income and are computed based on the specific-identification method. Unrealized gains and losses on investments are excluded from the excess of unrestricted revenue over expenses and are included in other changes in unrestricted net assets in the consolidated statements of operations and the consolidated statements of changes in net assets.

Supplies Inventory

Inventory consists principally of medical supplies and pharmaceuticals and is stated at the lower of cost or market, with cost determined using the first-in, first-out method.

Land, Buildings, and Equipment

Land, buildings, and equipment are stated at cost when purchased or at estimated fair value if received by donation. Improvements and replacements are capitalized, and repairs and maintenance are expensed in the period incurred.

For restricted tax-exempt borrowings, interest costs, less any interest earned on temporary investment of the proceeds of those borrowings from the date of borrowing until the specified qualifying assets acquired with those borrowings are ready for their intended use, are capitalized.

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. The Hospital uses the estimated useful lives recommended by the American Hospital Association, ranging from 2 to 40 years.

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

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

Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recovered. If such an impairment exists, the related assets would be written down to fair value. No such impairment has been recorded as of December 31, 2012 or 2011.

Other Investments

Other investments at December 31, 2012 and 2011 include an investment of approximately \$851,000 and \$852,000, respectively, representing LULH LLC's approximate 17% interest in LMC MOB LLC, LULH LLC's 50% interest in Tri Town Medical Campus, LLC, LULH LLC's 50% interest in LMC Communications, LLC, and the Hospital's 50% interest in Twin Peaks Medical Imaging, LLC. These entities are recorded under the equity method at December 31, 2012 and 2011, because the Hospital has significant influence over these entities.

Other investments at December 31, 2012 and 2011 also include an investment of approximately \$1,928,000 and \$1,607,000, respectively, representing the Hospital's 50% interest in the Carbon Valley Healthcare Holdings Company ("CVHHC"), a non-profit, tax-exempt organization. This organization was formed in 2010 as a joint venture with Poudre Valley Health System, a private not-for-profit healthcare system located in northern Colorado, to explore future healthcare needs in the Frederick/Firestone/Dacono area. CVHHC owns a 70-acre parcel of land and plans to lease a portion of that property to the Hospital for the purpose of constructing and operating the Indian Peaks Medical Center. See Note 5 for further details. The Hospital accounts for this investment using the equity method, because there is significant Hospital influence on CVHHC's Board of Directors.

Other investments at December 31, 2012 and 2011 also include an investment of approximately \$287,000 and \$278,000, respectively, representing the Hospital's minority interest in the Hospital Cooperative Laundry Inc. ("HCL"), an organization that provides laundry and linen services to a variety of healthcare facilities in Colorado. The Hospital accounts for this investment using the equity method, because there is significant Hospital influence on HCL's Board of Directors.

Other investments at December 31, 2012 and 2011 also include an investment of approximately \$1,812,000 and \$1,545,000, respectively, representing the Hospital's interest in VHA Mountain States Healthcare Reciprocal Risk Retention Group. See Note 8 for further details.

Other investments at December 31, 2012 and 2011 also include an investment of approximately \$43,000 and \$43,000, respectively, representing the Hospital's member equity account in VHA consulting operations.

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

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

Other Investments (continued)

Other investments at December 31, 2012 also include an investment purchased in 2012 of approximately \$123,000, representing the Hospital's interest in the Longmont United Hospital Orthopedic and Spine Co-Management Company, LLC, a Colorado limited liability company formed in 2012 to improve the quality, efficiency, and effectiveness of certain orthopedic and spine services provided at the Hospital. The Hospital owns approximately 38% of the shares in this organization, with the remainder of shares owned by selected physicians in the community. The Hospital accounts for this investment using the equity method, because there is significant Hospital influence on the Co-Management Company's Board of Directors.

Unamortized Bond Issuance Costs

Bond issuance costs are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective-interest method.

Accrued Compensated Absences

The Hospital has a paid time-off policy for vacation covering substantially all employees. The Hospital has recorded the accrued liability for these compensated absences in the accompanying consolidated financial statements as part of accrued salaries, wages, and employee benefits.

Patient Accounts Receivable

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

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

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

Patient Accounts Receivable (continued)

The Hospital's allowance for doubtful accounts increased approximately 6% in 2012. This increase was the result of an increase in self-pay patient accounts receivable. The Hospital has not changed its charity care or uninsured discount policies during 2012 or 2011. The Hospital's allowance for doubtful accounts as of December 31, 2012 and 2011 was approximately \$4,592,000 and \$4,340,000, respectively, and write-offs from self-pay patients totaled approximately \$14,851,000 and \$15,870,000 in 2012 and 2011, respectively. The Hospital does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant write-offs from third-party payors.

Other Operating Revenue

Other operating revenue consists of revenue received from sources other than the provision of healthcare services to registered patients. Cafeteria revenue, medical office building rental income, and fees received for alternative therapies are included in the total. Revenue is recognized in the period earned under the accrual basis of accounting.

Excess of Unrestricted Revenue over Expenses

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

Contributions

The Hospital does not generally receive contributions directly from donors. Such contributions typically flow from the Foundation. When the Hospital does receive a direct cash donation from a donor, it is recorded as other operating revenue.

Charity Care

The Hospital provides care to patients regardless of their ability to pay for those services. Because the Hospital does not pursue collection of amounts determined to qualify as charity care and these amounts are not expected to result in cash flows, they are not reported in net patient service revenue. Charity care measured at cost approximated \$7,188,000 and \$7,804,000 for the years ended December 31, 2012 and 2011, respectively, and are estimated using information obtained from the Hospital's internal cost accounting system.

Uncollectible amounts from patients who do not meet the criteria under the Hospital's charity care policy are included in the provision for bad debts.

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

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

Income Taxes

The Hospital is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). However, income generated from activities unrelated to the entity's exempt purpose is subject to tax under Section 511 of the Internal Revenue Code.

FIN 48 footnote

The Hospital applies a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in a tax return. After evaluating the tax positions taken, none are considered to be uncertain; therefore, no amounts have been recognized as of December 31, 2012 and 2011. If incurred, interest and penalties associated with tax positions are recorded in the period assessed in supplies and other expenses. No interest or penalties have been assessed as of December 31, 2012 and 2011. Tax years that remain subject to examination include 2009 through the current period for the federal returns and 2008 through the current period for the Colorado returns.

Recently Adopted Accounting Pronouncements

In July 2011, the Financial Accounting Standards Board issued Accounting Standards Update No. 2011-07, an amendment to Accounting Standards Codification Topic 954, *Health Care Entities*, which requires health care organizations that do not assess the collectability of a receivable before recognizing revenue to present their provision for bad debt related to patient service revenue as a deduction from revenue, net of contractual allowances and discounts, on their statement of income. This guidance became effective for the Hospital in 2012 and required the Hospital to change the presentation of their consolidated statements of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from net patient service revenue.

Reclassifications

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

Subsequent Events

The Hospital has evaluated all subsequent events through the auditors' report date, which is the date the consolidated financial statements were available for issuance, and noted no material events requiring disclosure based upon this evaluation.

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 2 - Net Patient Service Revenue

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

Medicare

Inpatient acute care and outpatient care rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge or procedure. The inpatient rates vary according to a Diagnostic Related Group patient classification system, which is based on clinical, diagnostic, and other factors.

Inpatient rehabilitation services are paid at prospectively determined rates per discharge. Rates vary according to a Case Mix Group patient classification system, which is based on clinical, diagnostic, and other factors. Inpatient psychiatric services are reimbursed per case based upon diagnoses, length of stay, and the age of the patient. Outpatient services rendered under the Medicare program are paid based on the Ambulatory Payment Classification system. The Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by the Hospital's fiscal intermediary. The Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through December 31, 2007.

Medicaid

Inpatient services are paid at prospectively determined rates per discharge similar to Medicare. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Hospital is reimbursed at a tentative rate for outpatient services with final settlement determined after submission of annual cost reports and audits thereof by the Medicaid fiscal intermediary. The Hospital's Medicaid cost reports have been audited by the Medicaid fiscal intermediary through December 31, 2006.

Revenue from the Medicare and Medicaid programs accounted for approximately 31% and 6%, respectively, of the Hospital's net patient revenue for the year ended December 31, 2012 and 28% and 6%, respectively, of the Hospital's net patient revenue for the year ended December 31, 2011.

Colorado Healthcare Affordability Act

In March 2010, the Centers for Medicare and Medicaid Services ("CMS") approved the Colorado Healthcare Affordability Act (the "Act"), whereby the Colorado Department of Healthcare Policy and Financing can collect a fee from each provider, obtain federal matching funds, and redistribute those funds back to healthcare providers within the state. The Act provides funds to expand Medicaid enrollment as well as to restore Colorado Indigent Care Program payments that had been eliminated on July 1, 2009. The net annual impact of those additional matching funds was approximately \$4,312,000 and \$5,902,000 for the years ended December 31, 2012 and 2011, respectively.

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 2 - Net Patient Service Revenue (continued)

Other Payors

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

Net Patient Service Revenue

The Hospital recognizes patient service revenue associated with services provided to patients covered by Medicaid, Medicare, and third-party payors on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, the Hospital recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a significant provision for bad debts related to uninsured patients in the period the services are provided.

Amounts receivable under reimbursement agreements with the Medicare and Medicaid programs are subject to examination and retroactive adjustment. Provisions for estimated retroactive adjustments under such programs are provided in the period the related services are rendered and adjusted in future periods as final settlements are determined. The Hospital's reserve for estimated retroactive adjustments decreased approximately \$191,000 for the year ended December 31, 2012 and decreased approximately \$249,000 for the year ended December 31, 2011, due to changes in previously estimated settlements as a result of final settlements, resolution of reviews and investigations, and prior year retroactive adjustments.

Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the period from these major payor sources is as follows.

	For the Years Ended December 31,	
	2012	2011
Medicare	\$ 55,868,475	\$ 50,039,369
Medicaid	10,602,746	10,243,246
Other third parties	94,557,009	94,043,722
Self-pay	<u>18,286,307</u>	<u>19,266,337</u>
Total	<u>\$ 179,314,537</u>	<u>\$ 173,592,674</u>

Hospital gross patient service revenue was approximately \$456,151,000 and \$445,446,000 for the years ended December 31, 2012 and 2011, respectively.

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 3 - Assets Limited as to Use

The Hospital provides for future expansion and equipment acquisitions by funding depreciation. Funded depreciation and assets limited as to use under bond trust indentures are as follows:

	December 31,	
	2012	2011
Funded depreciation		
Cash and cash equivalents	\$ 1,005,134	\$ 252,933
Certificates of deposit	12,782,938	8,040,698
Total cash, cash equivalents, and certificates of deposit	✓ 13,788,072	8,293,631
U.S. government obligations		
Residential mortgage-backed securities	✓ 26,518,493	38,304,767
Total U.S. government obligations	26,518,493	38,304,767
Corporate obligations		
Corporate bonds	32,316,465	23,520,594
Total corporate obligations	✓ 32,316,465	23,520,594
Accrued interest	✓ 408,060	506,169
Total funded depreciation	73,031,090	70,625,161
Externally restricted by bond indentures		
Cash and cash equivalents	✓ 10,929,133	28,373
U.S. government obligations		
Residential mortgage-backed securities	✓ 5,090,000	5,090,000
Total U.S. government obligations	5,090,000	5,090,000
Total externally restricted by bond indentures	16,019,133	5,118,373
Total assets limited as to use	\$ 89,050,223	\$ 75,743,534
Components of investment income and other are as follows:		
Include in savings and temporary cash investments + LULH cash and cash equiv SUM = 25,127,306		
	December 31,	
	2012	2011
Interest income/gains on investment sales	\$ 2,323,341	\$ 1,866,593
Income from affiliated and related organizations	✓ 476,877	445,211
	\$ 2,800,218	\$ 2,311,804

Include in investments-
 publicly traded securities
 SUM = 63,924,958

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 3 - Assets Limited as to Use (continued)

The following tables show the gross unrealized losses and fair value of the Hospital's investments with unrealized losses that are not deemed to be other than temporarily impaired, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at December 31, 2012 and 2011:

December 31, 2012

	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Gains (Losses)	Fair Value	Unrealized Gains (Losses)	Fair Value	Unrealized Gains (Losses)
U S government obligations						
Residential mortgage-backed securities	\$ 8,981,355	\$ (18,645)	\$ -	\$ -	\$ 8,981,355	\$ (18,645)
Total U S government obligations	8,981,355	(18,645)	-	-	8,981,355	(18,645)
Corporate obligations						
Corporate bonds	12,837,377	(159,672)	1,033,372	(62,573)	13,870,749	(222,245)
Total	\$ 21,818,732	\$ (178,317)	\$ 1,033,372	\$ (62,573)	\$ 22,852,104	\$ (240,890)

December 31, 2011

	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Gains (Losses)	Fair Value	Unrealized Gains (Losses)	Fair Value	Unrealized Gains (Losses)
U S government obligations						
Residential mortgage-backed securities	\$ 1,997,768	\$ (2,232)	\$ -	\$ -	\$ 1,997,768	\$ (2,232)
Total U S government obligations	1,997,768	(2,232)	-	-	1,997,768	(2,232)
Corporate obligations						
Corporate bonds	15,110,951	(597,787)	2,140,255	(65,621)	17,251,206	(663,408)
Total	\$ 17,108,719	\$ (600,019)	\$ 2,140,255	\$ (65,621)	\$ 19,248,974	\$ (665,640)

All of the above-referenced unrealized losses are caused by routine market-based interest rate changes between the purchase date and the date of this report. The Hospital traditionally takes a buy-and-hold approach to investing and has the ability to hold all of the assets listed above to their maturity. At maturity, all the investments will have regained their unrealized losses and will settle for the stated value of the investment.

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 4 - Land, Buildings, and Equipment

Land, buildings, and equipment consist of the following:

	December 31,	
	2012	2011
Use for Sch D detail		
Land	\$ 5,726,316	\$ 5,726,316
Buildings, improvements, and fixed equipment	142,984,034	142,554,386
Major movable equipment	71,793,652	70,716,597
Construction in progress	<u>9,920,205</u>	<u>3,325,211</u>
	230,424,207	222,322,510
Less accumulated depreciation		
Buildings, improvements, and fixed equipment	(65,792,650)	(60,696,992)
Major movable equipment	<u>(58,623,841)</u>	<u>(53,587,967)</u>
Land, buildings, and equipment, net	<u>\$ 106,007,716</u>	<u>\$ 108,037,551</u>

Note 5 - Long-Term Debt

Long-term debt consists of the following:

	December 31,	
	2012	2011
Series 2006B Hospital Revenue Bonds	\$ 42,575,000	\$ 44,215,000
Series 2006A Hospital Revenue Bonds	35,755,000	36,545,000
Series 2003 Hospital Revenue Bonds	8,255,000	9,100,000
Indian Peaks Taxable Loan	15,000,000	-
Le Deauville bank loan	4,250,949 4,250,949	4,466,652
	105,835,949	94,326,652
Less current installments	<u>(3,653,820)</u>	<u>(3,490,717)</u>
	102,182,129	90,835,935
Plus original issue premium	<u>695,509</u>	<u>730,997</u>
Total	<u>\$ 102,877,638</u>	<u>\$ 91,566,932</u>

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 5 - Long-Term Debt (continued)

Annual scheduled maturities of debt are as follows:

Year Ended December 31,

2013	\$ 3,653,820
2014	4,416,382
2015	4,619,606
2016	8,137,237
2017	4,780,000
Thereafter	<u>80,228,904</u>
	<u>\$ 105,835,949</u>

Series 2003 Hospital Revenue Bonds

In December 2003, the Hospital issued \$14,915,000 in Revenue Refunding Bonds ("Series 2003 Bonds") to advance refund the Series 1993 Hospital Revenue Bonds ("Series 1993 Bonds"). The Hospital deposited \$15,619,472 in direct obligations of the U.S. government in an irrevocable trust in order to satisfy future Series 1993 Bond scheduled payments of principal and interest. Upon deposit of the securities in the trust, the Series 1993 Bonds were deemed to have been retired, and the Hospital was released from the provisions of the related indenture. The Series 2003 Bonds mature in increasing annual installments through the year 2020, with interest ranging from 2.00% to 5.00%. Optional redemption of the bonds may be made beginning in the year 2013 at par.

Series 2006A Hospital Revenue Bonds

In June 2006, the Hospital issued \$40,000,000 in Revenue Bonds ("Series 2006A Bonds") to improve and construct certain facilities at the Hospital. The projects include construction of an expanded emergency department, expansion of the Hospital's central utility plant, 18 additional monitored inpatient telemetry beds, and construction of an additional cardiac catheterization lab, among other projects. The Series 2006A Bonds mature in increasing annual installments through the year 2030, with a \$12,940,000 balloon payment due in 2031. The Series 2006A Bonds bear a fixed interest rate of 4.75% and were purchased in their entirety by Centennial Bank of the West. The Series 2006A Bonds are subject to early redemption at the option of the Hospital at par. There is no advance refunding penalty or premium required.

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 5 - Long-Term Debt (continued)

Series 2006B Hospital Revenue Bonds

In June 2006, the Hospital issued \$48,965,000 in Revenue Refunding Bonds ("Series 2006B Bonds") to advance refund \$22,641,896 of the Series 1997 Hospital Revenue Bonds ("Series 1997 Bonds") and \$25,217,823 of the portion of the Series 2000 Hospital Revenue Bonds ("Series 2000 Bonds") that matured subsequent to December 2010. The Hospital deposited \$47,852,140 in direct obligations of the U.S. government in an irrevocable trust in order to satisfy future Series 1997 Bond and Series 2000 Bond scheduled payments of principal and interest. The Series 2006B Bonds mature in increasing annual installments through the year 2030, with interest ranging from 4.00% to 5.25%. Optional redemption of the bonds can be made beginning in the year 2016 at par.

2012 Indian Peaks Taxable Loan

In December 2012, the Hospital borrowed \$15,000,000 from the Colorado Business Bank for the purpose of constructing the Indian Peaks Medical Center on land owned by CVHHC. Indian Peaks Medical Center is a service of the Hospital and will open in late 2013. The facility will offer services such as Family Medicine, Internal Medicine, Women's Services & OB-GYN, Cardiology, Sports Medicine & Orthopedics, and Imaging Services. The building will be approximately 36,000 square feet, with medical office space on the second floor. The project is Phase 1 of a four-phase master plan culminating in an acute care hospital and medical campus.

The 2012 Indian Peaks Taxable Loan will be repaid in increasing annual installments beginning in 2014 and ending in 2032. The loan bears a fixed interest rate of 3.28% through November 2019, at which time interest will be based on the one-month LIBOR plus 2.4%, subject to a 3.0% floor.

The Series 2003, 2006A, and 2006B Bonds and the 2012 Indian Peaks Taxable Loan are secured by a pledge of Hospital gross receipts. Under the terms of the bond indentures, the Hospital is required to maintain certain deposits with a trustee. Such deposits are included with assets limited as to use. The bond indentures also place limits on the incurrence of additional borrowings and require that the Hospital satisfy certain measures of financial performance as long as the bonds are outstanding.

Note 6 - Advanced Physician Guaranteed Income and Receivables from Related Parties

In connection with the Hospital's physician recruitment efforts to attract qualified doctors to the communities served by the Hospital, certain physicians are given income guarantees to assist with the start-up of their practices. The terms related to the payback of guarantees range from two to six years. If the physician leaves the Longmont area prior to the contracted period of time, advanced guaranteed income will become payable by the physician in varying amounts by installments through 2015 and will bear interest at existing market rates. The Hospital's guaranteed payments are reduced by the physician's practice net income. For the years ended December 31, 2012 and 2011, the Hospital expensed \$13,000 and \$27,000, respectively, in connection with physician income guarantees.

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 6 - Advanced Physician Guaranteed Income and Receivables from Related Parties **(continued)**

The net physician income guarantee receivable included in other current assets totaled \$147,000 and \$12,000 at December 31, 2012 and 2011, respectively. All physicians are current with their obligations under these agreements. The maximum amount remaining to be advanced under these agreements is \$643,000 as of December 31, 2012.

Note 7 - Retirement Programs

The Hospital offers a 403(b) program (the "Program") to employees meeting certain eligibility criteria. All employees are eligible to participate. Employees electing to participate may contribute a maximum of 25% of their earnings to the Program, not to exceed \$17,000 and \$16,500 in 2012 or 2011, respectively. For all of fiscal year 2012 and a portion of fiscal year 2011, the Hospital made a matching contribution of 25% of each employee's contribution up to a maximum of 1.50% of full-time employees' gross earnings and 0.75% of half-time employees' gross earnings. To become eligible for the Hospital's matching contribution, an employee must work half-time or more and must have been employed by the Hospital for more than one year.

The Hospital implemented a 457(b) Top Hat deferred compensation plan (the "Plan") in 2002. The Plan is funded annually based on Hospital and employee performance. Total contributions for the Program and the Plan made by the Hospital were approximately \$583,000 and \$428,000 in 2012 and 2011, respectively.

Note 8 - Liability Insurance

The Hospital is a part of the VHA Mountain States Reciprocal Risk Retention Group (the "Group") under a claims-made policy retroactive to January 1, 1976. There are 20 subscribing members as of December 31, 2012. The Group provides full coverage for Hospital liability and general liability through a self-insured primary layer and a purchased layer. The primary layer provides coverage for professional liability up to \$1,000,000 per occurrence and \$3,000,000 in the aggregate, and for general liability up to \$1,000,000 per occurrence and in the aggregate. The primary layer has a \$25,000 deductible. The purchased layer includes an umbrella layer with up to \$5,000,000 coverage per occurrence and an excess layer with an additional \$10,000,000 coverage per occurrence. There is no deductible for the purchased layer.

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 9 - Functional Expenses

The Hospital provides general healthcare services to residents within its geographic location, including inpatient, outpatient, emergency, home health, and skilled nursing facility services. The Hospital's programs provide the community with a broad continuum of care. Expenses related to providing these services are as follows:

	For the Years Ended December 31,	
	2012	2011
Medical services	\$ 144,443,981	\$ 138,005,053
General and administrative	<u>23,615,332</u>	<u>21,834,588</u>
Total	<u>\$ 168,059,313</u>	<u>\$ 159,839,641</u>

Note 10 - Concentrations of Credit Risk

The Hospital grants credit without collateral to its patients, most of whom are local residents and are generally insured under third-party payor agreements. Concentrations of patient accounts receivable at December 31, 2012 and 2011 include the following:

	December 31,	
	2012	2011
Medicare	27%	22%
Medicaid	4	4
Commercial insurance	45	52
Other third-party payors	1	2
Self-pay and medically indigent	<u>23</u>	<u>20</u>
Total	<u>100%</u>	<u>100%</u>

Management does not believe there are significant credit risks associated with the above payors, other than the self-pay and medically indigent category. Further, management continually monitors and adjusts reserves and allowances associated with these receivables. Patient accounts receivable are reported net of allowances for doubtful accounts, contractual adjustments, and medically indigent allowances.

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 11 - Commitments and Contingencies

Litigation

The Hospital has been named as a defendant in various claims. Although the outcome of these claims is uncertain, hospital management, based on advice from legal counsel, believes that these claims will be resolved within the limits of insurance coverage.

Loan Guarantee

The Hospital is the guarantor of a note payable held by Tri Town Medical Campus, LLC. The balance of this note payable was approximately \$3,241,000 at December 31, 2012.

Minimum Rental Payments

The Hospital leases space and equipment under operating leases, which require minimum rental payments and additional charges for common area maintenance, utilities, and other costs, as follows:

Year Ending December 31,

2013	\$ 2,978,000
2014	2,667,000
2015	2,483,000
2016	2,399,000
2017	<u>2,195,000</u>
	<u>\$ 12,722,000</u>

Rental expense under operating leases totaled approximately \$2,594,000 and \$2,572,000 for the years ended December 31, 2012 and 2011, respectively.

Laws and Regulations

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licenses, accreditation, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Hospital is in compliance with all regulations related to fraud and abuse, as well as other applicable government laws and regulations. Compliance with such laws and regulations is subject to government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 11 - Commitments and Contingencies (continued)

Construction Commitments

The Hospital has entered into a contract for the design and construction of the Indian Peaks Medical Center. As of December 31, 2012, the Hospital's commitment under this contract is \$7,982,630. The total budget of Phase 1 of this project is approximately \$10,900,000. As of December 31, 2012, the Hospital has not incurred any of these committed costs. Construction on this project began in March, 2013. See Note 5 for further information.

Note 12 - Group Health Insurance and Self-Insured Risks

The Hospital is self-insured for employee health coverage. The Hospital purchases network and administrative services from a commercial insurer. The Hospital has also purchased stop-loss coverage for employee claims in excess of \$180,000 per year. The claims payable liability as of December 31, 2012 and 2011 was \$700,000 and \$748,000, respectively, and is a component of accrued salaries, wages, and employee benefits in the consolidated balance sheets. The Hospital maintains self-insurance for dental and vision expenses of its employees and their dependents who work 32 hours or more each week.

Note 13 - Fair Value of Financial Instruments

The Hospital reports the fair value of financial instruments based on available market information and other valuation methodologies. Fair value measurement inputs are categorized according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Hospital's valuation techniques. A level is assigned to each fair value measurement based on the lowest-level input that is significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

- Level 1: Unadjusted quoted prices for identical assets in active markets that are accessible at the measurement date.
- Level 2: Prices or valuations based on quoted prices in active markets for similar assets, quoted prices for identical or similar assets in inactive markets, inputs other than quotable that are absolute for the assets, or inputs derived principally from or corroborated by observable market data by correlation or other means.
- Level 3: Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

The Hospital's financial instruments that are required to be reported within the hierarchy include investments reported as assets limited as to use, and are categorized as Level 2.

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 13 - Fair Value of Financial Instruments (continued)

The following methods and assumptions were used by the Hospital in estimating the fair value of its financial instruments:

Cash and cash equivalents – The carrying amount reported in the consolidated balance sheets for cash and cash equivalents approximates fair value.

Assets limited as to use – Fair values of corporate commercial paper, U.S. government agency securities, U.S. Treasury securities, and certificates of deposit are based on quoted market prices if available or estimated using quoted market prices for similar securities. The carrying amount reported in the consolidated balance sheets approximates fair value.

Accounts payable and accrued salaries, wages, and employee benefits – The carrying amounts reported in the consolidated balance sheets approximate fair value.

Estimated payable to contractual agencies – The carrying amount reported in the consolidated balance sheets for estimated payable to contractual agencies approximates fair value.

Long-term debt – Fair values of the Hospital's revenue bonds are based on current traded prices. The estimated fair value of long-term debt was approximately \$110,580,000 and \$96,248,000 as of December 31, 2012 and 2011, respectively.

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

Note 14 - Net Assets Released from Restriction

The Hospital reports gifts of cash and other assets as temporarily 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 purpose restriction is accomplished, temporarily restricted net assets are reduced and reported in the consolidated statements of operations as net assets released from restrictions. Net assets were released from donor restrictions during 2012 and 2011 by incurring expenses satisfying the restricted purposes and/or by occurrence of other events specified by donors in the amounts of \$33,349 and \$15,130, respectively.

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

Note 15 - Temporarily Restricted Net Assets

Temporarily restricted net assets represent contributions restricted for a future period or for the following specific purposes:

	December 31,	
	2012	2011
Emergency department	\$ 152,205	\$ 135,205
Lion's project eye care	<u>16,437</u>	<u>16,439</u>
	<u>\$ 168,642</u>	<u>\$ 151,644</u>

Temporarily restricted net assets held by the Foundation are for the following purposes:

	December 31,	
	2012	2011
Unrestricted	\$ 2,743,467	\$ 2,601,041
Professional education	384,713	317,976
Clinical care	40,719	39,762
Cancer care	47,195	32,068
Birthplace	18,278	18,225
Business services	18,354	13,128
Other hospital programs	<u>137,784</u>	<u>104,749</u>
	<u>\$ 3,390,510</u>	<u>\$ 3,126,949</u>

SUPPLEMENTAL INFORMATION

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

Consolidating Balance Sheet
December 31, 2012

	Longmont United Hospital, Inc	UMB	LULH LLC	Le Deauville	Milestone Medical Group	Eliminations	Consolidated	
Assets								
Current assets								
Cash and cash equivalents	\$ 13,659,403	\$ 74,693	\$ 2,041	\$ (10,793)	\$ 22,069	\$ -	\$ 13,747,413	
Assets limited as to use required for current liabilities	3,777,122	-	-	-	-	-	3,777,122	
Patient accounts receivable, net	21,042,563	-	-	-	446,849	-	21,489,412	
Contributions receivable	321,875	-	-	-	-	-	321,875	
Receivables from related parties	61,114	-	-	-	-	(38,401)	22,713	
Interest receivable	29,694	-	-	-	-	-	29,694	
Supplies inventory	4,363,905	-	-	-	89,671	-	4,453,576	
Prepaid expenses and other	3,646,341	-	-	20,496	-	-	3,666,837	
Total current assets	46,902,017	74,693	2,041	9,703	558,589	(38,401)	47,508,642	
Assets limited as to use								
Board-designated for funded depreciation	73,031,090	-	-	-	-	-	73,031,090	
Restricted by bond indenture	16,019,133	-	-	-	-	-	16,019,133	
	89,050,223	-	-	-	-	-	89,050,223	
Less amount required for current liabilities	(3,777,122)	-	-	-	-	-	(3,777,122)	
Total assets limited as to use	85,273,101	-	-	-	-	-	85,273,101	
Contributions receivable	152,205	-	-	-	-	-	152,205	
Land, buildings, and equipment, net	100,350,064	-	-	5,156,645	573,839	(72,832)	106,007,716	
Other assets								
Notes receivable	244,425	-	-	-	-	-	244,425	
Other investments	10,556,221	-	254,838	-	(4,776,105)	(984,466)	5,050,488	
Bond issuance costs, net	1,864,009	-	-	-	-	-	1,864,009	
Net assets held by Longmont United Hospital Foundation	3,390,510	-	-	-	-	-	3,390,510	
Total assets	\$ 248,732,552	\$ 74,693	\$ 256,879	\$ 5,166,348	\$ (3,643,677)	\$ (1,095,699)	\$ 249,491,096	- 74,693 = 249,416,403
Liabilities and Net Assets								
Current liabilities								
Accounts payable	\$ 10,843,690	\$ 109,866	\$ -	\$ 57,304	\$ -	\$ (111,232)	\$ 10,899,628	
Accrued salaries, wages, and employee benefits	6,074,358	-	-	4,547	204,078	-	6,282,983	
Accrued interest	347,122	-	-	8,315	-	-	355,437	
Estimated payable to contractual agencies	3,454,618	-	-	-	-	-	3,454,618	
Current installments of long-term debt	3,430,000	-	-	223,820	-	-	3,653,820	
Other	44,619	-	-	117,646	-	-	162,265	
Total current liabilities	24,194,407	109,866	-	411,632	204,078	(111,232)	24,808,751	
Long-term debt, net of current installments	98,850,510	-	-	4,027,128	-	-	102,877,638	
Total liabilities	123,044,917	109,866	-	4,438,760	204,078	(111,232)	127,686,389	- 109,866 = 127,576,523
Commitments and contingencies								
Net assets								
Unrestricted	122,128,483	(35,173)	256,879	727,588	(3,847,755)	(984,467)	118,245,555	
Temporarily restricted								
Held by Longmont United Hospital, Inc	168,642	-	-	-	-	-	168,642	
Held by Longmont United Hospital Foundation	3,390,510	-	-	-	-	-	3,390,510	
Total temporarily restricted net assets	3,559,152	-	-	-	-	-	3,559,152	+ 35,173 = 121,839,880
Total net assets	125,687,635	(35,173)	256,879	727,588	(3,847,755)	(984,467)	121,804,707	
Total liabilities and net assets	\$ 248,732,552	\$ 74,693	\$ 256,879	\$ 5,166,348	\$ (3,643,677)	\$ (1,095,699)	\$ 249,491,096	

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

**Consolidating Balance Sheet
December 31, 2011**

	Longmont United Hospital, Inc	UMB	LULH LLC	Le Deauville	Milestone Medical Group	Eliminations	Consolidated
Assets							
Current assets							
Cash and cash equivalents	\$ 11,538,904	\$ 112,643	\$ 2,038	\$ 8,396	\$ 5,098	\$ -	\$ 11,667,079
Assets limited as to use required for current liabilities	3,634,969	-	-	-	-	-	3,634,969
Patient accounts receivable, net	20,346,021	-	-	-	15,494	-	20,361,515
Contributions receivable	256,683	-	-	-	-	-	256,683
Receivables from related parties	46,943	-	-	-	-	(14,572)	32,371
Interest receivable	18,098	-	-	-	-	-	18,098
Supplies inventory	5,160,013	-	-	-	89,671	-	5,249,684
Provider fee receivable	-	-	-	-	-	-	-
Prepaid expenses and other	3,218,738	10		20,750	-	-	3,239,498
Total current assets	<u>44,220,369</u>	<u>112,653</u>	<u>2,038</u>	<u>29,146</u>	<u>110,263</u>	<u>(14,572)</u>	<u>44,459,897</u>
Assets limited as to use							
Board-designated for funded depreciation	70,625,161	-	-	-	-	-	70,625,161
Restricted by bond indenture	<u>5,118,373</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,118,373</u>
	75,743,534	-	-	-	-	-	75,743,534
Less amount required for current liabilities	<u>(3,634,969)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,634,969)</u>
Total assets limited as to use	<u>72,108,565</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,108,565</u>
Contributions receivable	135,205	-	-	-	-	-	135,205
Land, buildings, and equipment, net	102,511,800	-	-	5,324,645	283,854	(82,748)	108,037,551
Other assets							
Notes receivable	261,379	-	-	-	-	-	261,379
Other investments	5,634,125	-	197,883	-	(579,763)	(929,850)	4,322,395
Bond issuance costs, net	1,902,174	-	-	-	-	-	1,902,174
Net assets held by Longmont United Hospital Foundation	<u>3,126,949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,126,949</u>
Total assets	<u>\$ 229,900,566</u>	<u>\$ 112,653</u>	<u>\$ 199,921</u>	<u>\$ 5,353,791</u>	<u>\$ (185,646)</u>	<u>\$ (1,027,170)</u>	<u>\$ 234,354,115</u>
Liabilities and Net Assets							
Current liabilities							
Accounts payable	\$ 11,287,489	\$ 117,985	\$ -	\$ 37,129	\$ -	\$ (97,320)	\$ 11,345,283
Accrued salaries, wages, and employee benefits	5,616,256	-	-	4,836	12,924	-	5,634,016
Accrued interest	359,969	-	-	7,306	-	-	367,275
Estimated payable to contractual agencies	3,704,409	-	-	-	-	-	3,704,409
Current installments of long-term debt	3,275,000	-	-	215,717	-	-	3,490,717
Other	<u>58,276</u>	<u>-</u>	<u>-</u>	<u>107,938</u>	<u>-</u>	<u>-</u>	<u>166,214</u>
Total current liabilities	24,301,399	117,985	-	372,926	12,924	(97,320)	24,707,914
Long-term debt, net of current installments	<u>87,315,997</u>	<u>-</u>	<u>-</u>	<u>4,250,935</u>	<u>-</u>	<u>-</u>	<u>91,566,932</u>
Total liabilities	<u>111,617,396</u>	<u>117,985</u>	<u>-</u>	<u>4,623,861</u>	<u>12,924</u>	<u>(97,320)</u>	<u>116,274,846</u>
Commitments and contingencies							
Net assets							
Unrestricted	<u>115,004,577</u>	<u>(5,332)</u>	<u>199,921</u>	<u>729,930</u>	<u>(198,570)</u>	<u>(929,850)</u>	<u>114,800,676</u>
Temporarily restricted							
Held by Longmont United Hospital, Inc	151,644	-	-	-	-	-	151,644
Held by Longmont United Hospital Foundation	<u>3,126,949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,126,949</u>
Total temporarily restricted net assets	<u>3,278,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,278,593</u>
Total net assets	<u>118,283,170</u>	<u>(5,332)</u>	<u>199,921</u>	<u>729,930</u>	<u>(198,570)</u>	<u>(929,850)</u>	<u>118,079,269</u>
Total liabilities and net assets	<u>\$ 229,900,566</u>	<u>\$ 112,653</u>	<u>\$ 199,921</u>	<u>\$ 5,353,791</u>	<u>\$ (185,646)</u>	<u>\$ (1,027,170)</u>	<u>\$ 234,354,115</u>

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

Consolidating Statement of Operations
 December 31, 2012

	Longmont United Hospital, Inc.	UMB	LULH LLC	Le Deauville	Milestone Medical Group	Eliminations	Consolidated	
Unrestricted revenue								
Patient service revenue, net	✓ \$ 175,861,028	\$ -	\$ -	\$ -	\$ ✓ 3,453,509	\$ -	\$ 179,314,537	
Provision for bad debts	✓ (14,850,941)	-	-	-	-	-	(14,850,941)	
Net patient service revenue	161,010,087	-	-	-	3,453,509	-	164,463,596	
Other operating revenue	3,122,070	445,152	-	747,612	-	(453,610)	3,861,224	✓
Net assets released from restrictions	33,349	-	-	-	-	-	33,349	
Total unrestricted revenue	<u>164,165,506</u>	<u>445,152</u>	<u>-</u>	<u>747,612</u>	<u>3,453,509</u>	<u>(453,610)</u>	<u>168,358,169</u>	
Expenses								
Salaries, wages, and employee benefits	73,469,142	-	-	135,215	5,060,502	-	78,664,859	
Supplies and other	65,925,999	475,104	-	384,991	1,825,901	(453,610)	68,158,385	
Specialists’ fees	6,281,820	-	-	-	91,852	-	6,373,672	
Depreciation	10,013,305	-	-	168,000	124,437	-	10,305,742	
Interest and amortization	4,402,407	-	-	154,248	-	-	4,556,655	
Total expenses	<u>160,092,673</u>	<u>475,104</u>	<u>-</u>	<u>842,454</u>	<u>7,102,692</u>	<u>(453,610)</u>	<u>168,059,313</u>	Expenses per FS
Income (loss) from operations	4,072,833	(29,952)	-	(94,842)	(3,649,183)	-	298,856	
Other income								
Investment income and other, net	<u>2,705,266</u>	<u>111</u>	<u>56,948</u>	<u>-</u>	<u>-</u>	<u>37,893</u>	<u>2,800,218</u>	
Excess (deficit) of unrestricted revenue over expenses	6,778,099	(29,841)	56,948	(94,842)	(3,649,183)	37,893	3,099,074	
Other changes in unrestricted net assets								
Unrealized gain on investments	<u>345,805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>345,805</u>	
Increase (decrease) in unrestricted net assets	<u>\$ 7,123,904</u>	<u>\$ (29,841)</u>	<u>\$ 56,948</u>	<u>\$ (94,842)</u>	<u>\$ (3,649,183)</u>	<u>\$ 37,893</u>	<u>\$ 3,444,879</u>	

Total unrestricted revenue	168,358,169
Less NA released from restriction	33,349
Investment income and other, net	2,800,218
Unrealized gain on investments	345,805
Contributions from LUH Foundation	50,347
Change in interest in NA held by LUHF	<u>263,561</u>
Total revenue per FS	<u>171,784,751</u>

LONGMONT UNITED HOSPITAL, INC. AND AFFILIATES

**Consolidating Statement of Operations
December 31, 2011**

	Longmont United Hospital, Inc.	UMB	LULH LLC	Le Deauville	Milestone Medical Group	Eliminations	Consolidated
Unrestricted revenue							
Patient service revenue, net	\$ 173,572,961	\$ -	\$ -	\$ -	\$ 19,713	\$ -	\$ 173,592,674
Provision for bad debts	(15,869,738)	-	-	-	-	-	(15,869,738)
Net patient service revenue	157,703,223	-	-	-	19,713	-	157,722,936
Other operating revenue	3,204,342	410,755	-	742,812	-	(422,974)	3,934,935
Net assets released from restrictions	15,130	-	-	-	-	-	15,130
Total unrestricted revenue	<u>160,922,695</u>	<u>410,755</u>	<u>-</u>	<u>742,812</u>	<u>19,713</u>	<u>(422,974)</u>	<u>161,673,001</u>
Expenses							
Salaries, wages, and employee benefits	74,880,749	-	-	131,571	161,249	-	75,173,569
Supplies and other	62,742,017	436,628	-	389,924	55,830	(422,974)	63,201,425
Specialists' fees	6,295,945	-	-	-	-	-	6,295,945
Depreciation	10,232,693	-	-	168,000	1,205	-	10,401,898
Interest and amortization	4,550,120	-	-	216,684	-	-	4,766,804
Total expenses	<u>158,701,524</u>	<u>436,628</u>	<u>-</u>	<u>906,179</u>	<u>218,284</u>	<u>(422,974)</u>	<u>159,839,641</u>
Income (loss) from operations	2,221,171	(25,873)		(163,367)	(198,571)	-	1,833,360
Other income							
Investment income and other, net	<u>2,148,327</u>	<u>110</u>	<u>37,974</u>	<u>53</u>	<u>-</u>	<u>125,340</u>	<u>2,311,804</u>
Excess (deficit) of unrestricted revenue over expenses	4,369,498	(25,763)	37,974	(163,314)	(198,571)	125,340	4,145,164
Other changes in unrestricted net assets							
Unrealized loss on investments	<u>(32,870)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(32,870)</u>
Increase (decrease) in unrestricted net assets	<u>\$ 4,336,628</u>	<u>\$ (25,763)</u>	<u>\$ 37,974</u>	<u>\$ (163,314)</u>	<u>\$ (198,571)</u>	<u>\$ 125,340</u>	<u>\$ 4,112,294</u>