



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Form 990  Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)	OMB No 1545-0047 <div> <div>2012</div> <div>Open to Public Inspection</div> </div>
	▶ The organization may have to use a copy of this return to satisfy state reporting requirements	

A For the 2012 calendar year, or tax year beginning 07-01-2012 , 2012, and ending 06-30-2013




B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization Christian Unity Hospital Corporation		D Employer identification number 45-0310159	
	Doing Business As Unity Medical Center			
	Number and street (or P O box if mail is not delivered to street address) 164 West 13th Street		Room/suite	E Telephone number
				(701) 352-1620
	City or town, state or country, and ZIP + 4 Grafton, ND 58257		G Gross receipts \$ 8,459,914	
F Name and address of principal officer Rachel Ray 164 West 13th Street Grafton, ND 58257			H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
			H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)	
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () <input type="checkbox"/> (Insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			H(c) Group exemption number <input type="checkbox"/>	
J Website: <input checked="" type="checkbox"/> www.unitymedcenter.com				

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities Unity Medical Center provides access to quality health care for the region		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	10
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	9
	5 Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	119
	6 Total number of volunteers (estimate if necessary)	6	33
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
7b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 615,085	Current Year 473,853
	9 Program service revenue (Part VIII, line 2g)	7,957,504	7,976,691
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	924	740
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	9,080	8,630
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	8,582,593	8,459,914
	Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0
14 Benefits paid to or for members (Part IX, column (A), line 4)		0	0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		4,641,052	4,940,262
16a Professional fundraising fees (Part IX, column (A), line 11e)		0	0
b Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0			
17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)		3,868,209	3,610,352
18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)		8,509,261	8,550,614
19 Revenue less expenses Subtract line 18 from line 12		73,332	-90,700
Net Assets or Fund Balances	Beginning of Current Year		End of Year
	20 Total assets (Part X, line 16)	5,369,460	5,395,232
	21 Total liabilities (Part X, line 26)	3,287,835	3,404,307
	22 Net assets or fund balances Subtract line 21 from line 20	2,081,625	1,990,925

Part II Signature Block

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

Sign Here	***** Signature of officer			2014-05-12 Date	
	Rachel Ray Interim CEO Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name LISA CHAFFEE CPA		Preparer's signature		Date 2014-05-12
	Check <input type="checkbox"/> if self-employed			PTIN P00193453	
	Firm's name  EIDE BAILLY LLP			Firm's EIN  45-0250958	
	Firm's address  4310 17TH AVE S PO BOX 2545 FARGO, ND 581082545			Phone no (701) 239-8500	

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

Part III

Statement of Program Service Accomplishments

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

☐ Yes ☒ No

1

Briefly describe the organization’s mission

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

2

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

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

☐ Yes ☒ No

3

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

If “Yes,” describe these changes on Schedule O

☐ Yes ☒ No

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 \$ 7,366,918 including grants of \$) (Revenue \$ 7,976,691)

Unity Medical Center is a 14 bed healthcare facility, which provides emergency care, acute care services, outpatient services and clinical medical services to the residents of Grafton, North Dakota and surrounding communities The facility provides outreach services such as physical therapy, respiratory therapy, and flu vaccination clinics to other employers in the area as well For the fiscal year ended June 30, 2013 the medical center provided as part of its mission 700 acute days, 913 swing bed days, 72 respite days and 10,768 clinic visits The amount of charges foregone for services provided under the Organization’s charity care policy were approximately \$72,000 for the fiscal year Total direct and indirect costs related to these foregone charges were \$54,000, based on an average ratio of costs to gross charges

4b

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

4c

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

4d


















Other program services (Describe in Schedule O)

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

4e

Total program service expenses ▶ 7,366,918

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	No
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	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 Yes	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e	No
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? 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	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H 	20a Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? 	20b Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, 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		No
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.	1a	14			
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes			
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	2a	119			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a				No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b				
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a				No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a				No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b				No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c				
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a				No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b				
7 Organizations that may receive deductible contributions under section 170(c).						
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a				No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b				
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c				No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e				No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f				No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g				
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h				
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8				
9 Sponsoring organizations maintaining donor advised funds.						
a	Did the organization make any taxable distributions under section 4966?	9a				
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b				
10 Section 501(c)(7) organizations. Enter						
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b				
11 Section 501(c)(12) organizations. Enter						
a	Gross income from members or shareholders.	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b				
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a				
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b				
13 Section 501(c)(29) qualified nonprofit health insurance issuers.						
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b				
c	Enter the amount of reserves on hand.	13c				
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a				No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b				

Part VI

Governance, Management, and Disclosure

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	10	
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	9	
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	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	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	No
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	No
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> 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 Rachel Ray Interim CEO 164 West 13th Street Grafton, ND (701) 352-9365

Part VII

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

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

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

- 1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year
- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation 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) Keith Zikmund President	1 00 0 00	X		X				0	0	0
(2) Jo Petersen Vice President	1 00 1 00	X		X				0	0	0
(3) JoAnn Lizakowski Secretary/Treasurer	1 00 0 00	X		X				0	0	0
(4) Dale Martinson Board Member	1 00 0 00	X						0	0	0
(5) Amy Vollrath Board Member	1 00 0 00	X						0	0	0
(6) Vicki Ham Board Member	1 00 0 00	X						0	0	0
(7) Pastor Chris Gaule Board Member	1 00 0 00	X						0	0	0
(8) Mary Houdek Board Member	1 00 0 00	X						0	0	0
(9) Roger Gorder Board Member	1 00 0 00	X						0	0	0
(10) Dr Linda Fillipi Physician/Medical Staff President	41 00 0 00	X						165,772	0	7,257
(11) Everett Butler CEO	40 00 0 00			X				150,830	0	7,257
(12) Rachel Ray CFO/Interim CEO	40 00 0 00			X				56,236	0	6,451
(13) Dr Abdul Hafeez Physician	40 00 0 00					X		211,268	0	19,234
(14) Dr Joshua Omotunde MD	40 00 0 00					X		221,398	0	19,234
(15) Dr Anthony Kotnik MD	40 00 0 00					X		159,029	0	19,234
(16) Rodney Sigvaldson PA	61 00 0 00					X		101,520	0	19,234

Part VII

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								1,066,053	0	97,901

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization▶6

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
DMS Health Technologies PO Box 86 SDS 12-2208 Minneapolis MN 554862208	Mobile imaging services	257,159

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 ►1

Part VIII

Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . . .	1a			
	b	Membership dues	1b			
	c	Fundraising events	1c			
	d	Related organizations	1d	110,833		
	e	Government grants (contributions)	1e	226,477		
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	136,543		
	g	Noncash contributions included in lines 1a-1f \$				
	h	Total. Add lines 1a-1f		473,853		
Program Service Revenue	2a	Net Patient Serv Rev	Business Code 621300	7,909,848	7,909,848	
	b	Misc income	900099	66,843	66,843	
	c					
	d					
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f		7,976,691		
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)	740		
4		Income from investment of tax-exempt bond proceeds . .				
5		Royalties				
6a		Gross rents	(i) Real 8,630	(ii) Personal		
b		Less rental expenses	0			
c		Rental income or (loss)	8,630			
d		Net rental income or (loss)	8,630			8,630
7a		Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other		
b		Less cost or other basis and sales expenses				
c		Gain or (loss)				
d		Net gain or (loss)				
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a			
b		Less direct expenses	b			
c		Net income or (loss) from fundraising events . . .				
9a		Gross income from gaming activities See Part IV, line 19	a			
b		Less direct expenses	b			
c		Net income or (loss) from gaming activities . . .				
10a		Gross sales of inventory, less returns and allowances .	a			
b		Less cost of goods sold	b			
c		Net income or (loss) from sales of inventory . . .				
	Miscellaneous Revenue	Business Code				
11a						
b						
c						
d	All other revenue					
e	Total. Add lines 11a-11d					
12	Total revenue. See Instructions		8,459,914	7,976,691	0	9,370

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.				
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.	423,654	184,877	238,777	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).				
7	Other salaries and wages.	3,724,971	3,229,419	495,552	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).				
9	Other employee benefits.	518,055	435,186	82,869	
10	Payroll taxes.	273,582	225,742	47,840	
11	Fees for services (non-employees):				
a	Management.				
b	Legal.	1,971		1,971	
c	Accounting.	33,547		33,547	
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).	613,863	586,658	27,205	
12	Advertising and promotion.	38,911		38,911	
13	Office expenses.	465,622	376,133	89,489	
14	Information technology.	70,109		70,109	
15	Royalties.				
16	Occupancy.	176,581	176,433	148	
17	Travel.	37,524	33,797	3,727	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	773		773	
20	Interest.	123,263	123,263		
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	509,982	509,982		
23	Insurance.	79,224	79,224		
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O):				
a	Medical Supplies.	940,883	940,883		
b	Provision for Bad Debts.	406,517	406,517		
c	Communications.	50,374	50,374		
d	Dues and Subscriptions.	17,522	5,676	11,846	
e	All other expenses.	43,686	2,754	40,932	
25	Total functional expenses. Add lines 1 through 24e.	8,550,614	7,366,918	1,183,696	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 <input type="checkbox"/> 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				1	
	2	Savings and temporary cash investments			382,335	2	347,892
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			1,396,953	4	1,688,190
	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				7	
	8	Inventories for sale or use			126,092	8	109,984
	9	Prepaid expenses and deferred charges			51,447	9	30,405
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	10,108,258			
	b	Less accumulated depreciation	10b	7,229,509	3,160,446	10c	2,878,749
	11	Investments—publicly traded securities				11	
	12	Investments—other securities See Part IV, line 11				12	
	13	Investments—program-related See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets See Part IV, line 11			252,187	15	340,012
16	Total assets. Add lines 1 through 15 (must equal line 34)			5,369,460	16	5,395,232	
Liabilities	17	Accounts payable and accrued expenses			923,013	17	1,015,759
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities			2,180,000	20	2,135,000
	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			184,822	23	253,548
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D				25	
	26	Total liabilities. Add lines 17 through 25			3,287,835	26	3,404,307
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			1,968,953	27	1,877,635
	28	Temporarily restricted net assets			112,672	28	113,290
	29	Permanently restricted net assets				29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			2,081,625	33	1,990,925
	34	Total liabilities and net assets/fund balances			5,369,460	34	5,395,232

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	8,459,914
2	Total expenses (must equal Part IX, column (A), line 25)	2	8,550,614
3	Revenue less expenses Subtract line 2 from line 1	3	-90,700
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	2,081,625
5	Net unrealized gains (losses) on investments	5	
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	0
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	1,990,925

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		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 <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	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		No
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
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		

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2012

Open to Public Inspection

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.

Department of the Treasury
Internal Revenue Service

Name of the organization
Chnstian Unity Hospital Corporation

Employer identification number
45-0310159

Part I

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

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

- 1

☐

A church, convention of churches, or association of churches 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 33¹/₃% 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 33¹/₃% 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 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
Christian Unity Hospital Corporation

Employer identification number
45-0310159

Part I

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds 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? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	

Part II

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

1

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

☐ Preservation of land for public use (e g , recreation or 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		43,017		43,017
b Buildings		7,321,460	4,918,640	2,402,820
c Leasehold improvements				
d Equipment		2,500,084	2,141,981	358,103
e Other		243,697	168,888	74,809
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				2,878,749

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	8,053,397
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12			
a	Net unrealized gains on investments	2a		
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII)	2d	-406,517	
e	Add lines 2a through 2d		2e	-406,517
3	Subtract line 2e from line 1		3	8,459,914
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	8,459,914
Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return				
1	Total expenses and losses per audited financial statements		1	8,144,097
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		
e	Add lines 2a through 2d		2e	0
3	Subtract line 2e from line 1		3	8,144,097
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	406,517	
c	Add lines 4a and 4b		4c	406,517
5	Total expenses Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)		5	8,550,614

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	The Medical Center is organized as a North Dakota nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Medical Center is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Medical Center is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purpose. The Medical Center has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990T) with the IRS. The Medical Center believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Medical Center would recognize future accrued interest and penalties related to unrecognized tax liabilities in income tax expense if such interest and penalties are incurred.
Part XI, Line 2d - Other Adjustments		Provision for Bad Debts reported in Revenue in the F/S - 406,517
Part XII, Line 4b - Other Adjustments		Provision for Bad Debts reported in Revenue in the F/S 406,517

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
Christian Unity Hospital Corporation

Employer identification number
45-0310159

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 <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> 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 <input checked="" type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ % 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 <input checked="" type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ % 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	3a	Yes	
		3b	Yes	
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4		No
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.			

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			54,000		54,000	0 660 %
b Medicaid (from Worksheet 3, column a)			381,631	368,823	12,808	0 160 %
c Costs of other means-tested government programs (from Worksheet 3, column b) . .						
d Total Financial Assistance and Means-Tested Government Programs . .			435,631	368,823	66,808	0 820 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			2,500		2,500	0 030 %
f Health professions education (from Worksheet 5)			11,415		11,415	0 140 %
g Subsidized health services (from Worksheet 6)			1,841,799	1,505,694	336,105	4 130 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total Other Benefits			1,855,714	1,505,694	350,020	4 300 %
k Total. Add lines 7d and 7j . .			2,291,345	1,874,517	416,828	5 120 %

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

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

Did the organization report bad debt expense in accordance with Heathcare 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

406,517

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

40,245

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

2,856,445

6

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

6

2,839,977

7

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

7

16,468

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

9b

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 IVManagement 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				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Part V

Facility Information

Section A. Hospital Facilities

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

Name, address, and primary website address

		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	Christian Unity Hospital Corporation 164 West 13th Street Grafton, ND 58257	X	X			X		X			

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Christian Unity Hospital Corporation

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	Yes
a	<input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b	<input checked="" type="checkbox"/> Demographics of the community		
c	<input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	<input checked="" type="checkbox"/> How data was obtained		
e	<input checked="" type="checkbox"/> The health needs of the community		
f	<input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	<input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	<input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i	<input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j	<input type="checkbox"/> Other (describe in Part VI)		
2	Indicate the tax year the hospital facility last conducted a CHNA 20 <u>12</u>		
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	Yes
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	No
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	Yes
a	<input checked="" type="checkbox"/> Hospital facility's website		
b	<input checked="" type="checkbox"/> Available upon request from the hospital facility		
c	<input type="checkbox"/> 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	<input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b	<input checked="" type="checkbox"/> Execution of the implementation strategy		
c	<input type="checkbox"/> Participation in the development of a community-wide plan		
d	<input type="checkbox"/> Participation in the execution of a community-wide plan		
e	<input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f	<input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g	<input checked="" type="checkbox"/> Prioritization of health needs in its community		
h	<input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	<input type="checkbox"/> Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7	No
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	No
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>100 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>200 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 <input checked="" type="checkbox"/> Income level			
b <input type="checkbox"/> Asset level			
c <input type="checkbox"/> Medical indigency			
d <input type="checkbox"/> Insurance status			
e <input type="checkbox"/> Uninsured discount			
f <input type="checkbox"/> Medicaid/Medicare			
g <input type="checkbox"/> State regulation			
h <input type="checkbox"/> Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?		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 <input type="checkbox"/> The policy was posted on the hospital facility's website			
b <input type="checkbox"/> The policy was attached to billing invoices			
c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices			
e <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility			
f <input checked="" type="checkbox"/> The policy was available upon request			
g <input checked="" type="checkbox"/> Other (describe in Part VI)			
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 <input type="checkbox"/> Reporting to credit agency			
b <input type="checkbox"/> Lawsuits			
c <input type="checkbox"/> Liens on residences			
d <input type="checkbox"/> Body attachments			
e <input type="checkbox"/> Other similar actions (describe in Part VI)			
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	No
a <input type="checkbox"/> Reporting to credit agency			
b <input type="checkbox"/> Lawsuits			
c <input type="checkbox"/> Liens on residences			
d <input type="checkbox"/> Body attachments			
e <input type="checkbox"/> Other similar actions (describe in Part VI)			

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?	Yes	
	If "No," indicate why		
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

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 <input checked="" type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
	b <input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
	c <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
	d <input type="checkbox"/> Other (describe in Part VI)		
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?		No
	If "Yes," explain in Part VI		
22	During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual?	Yes	
	If "Yes," explain in Part VI		

Part V

Facility Information (continued)

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

How many non-hospital health care facilities did the organization operate during the tax year?
1

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

Part VI Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, Part V, Section A, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report
- 8
- Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

Identifier	ReturnReference	Explanation
		Part I, Line 3c The organization does follow the Federal Poverty Guidelines (FPG) when determining discounted care, but they have set up three different ranges within the Guidelines A patient will pay 30%, 60% or 80% of their bill depending upon where their income falls The patient is responsible for 30% of their bill if their income is 100% to 132% of the FPG The patient is responsible for 60% of their bill if their income falls between 133% to 166% of the FPG The patient is responsible for 80% of their bill if their income falls between 167% and 200% of the FPG If the individual falls below the minimum criteria, that person is eligible for 100% charity care allowance, or free care
		Part I, Line 6a The community benefit report is available upon request

Identifier	ReturnReference	Explanation
		Part I, Line 7 The organization used the following to determine the costs for Part I, Line 7 Row a An average ratio of cost to gross charges which addresses all patient segmentsRow b Unreimbursed Medicaid was calculated using the costing methods to prepare the cost reports Row e & f An estimate of actual costs were used based on the General LedgerRow g The cost for subsidized health services was determined using the Medicare Cost Report
		Part I, Line 7g The amount of costs attributable to a rural health clinic is \$1,801,260

Identifier	ReturnReference	Explanation
		Part I, L7 Col(f) The amount of bad debt expense removed from the denominator is \$406,517
		Part III, Line 4 Footnote from organization's financial statements The footnote that describes bad debt expense is found on page 9 and 10 of the attached audit report 9 9% of the individuals in Walsh County, North Dakota (in which the Hospital is located) fall below the federal poverty levels according to Census gov Therefore, the organization estimates that 9 9% of the bad debt expense at cost is attributable to patients eligible under the organization's charity care policy Care is given to individuals regardless of their ability to pay and so therefore this is a community benefit Discounts and payments are taken into account when determining bad debt expense Payments on a previously written off account are recorded as a recovery of bad debt expense and they reduce bad debt expense

Identifier	ReturnReference	Explanation
		Part III, Line 8 Medicare allowable costs of care are based on the Medicare cost report The Medicare cost report is completed based on the rules and regulations set forth by Centers for Medicare and Medicaid Services
		Part III, Line 9b If an incomplete financial assistance application has been submitted, the Patient Accounts Representative will work with the patient to gather any missing or outstanding items Any collection actions are stopped after the patient submits an application for financial assistance until it is determined whether or not the individual is eligible for financial assistance If the patient qualifies for financial assistance, any collection actions already taken against the individual would be reversed The Patient Accounts Representative documents whether or not the individual is eligible for financial assistance

Identifier	ReturnReference	Explanation
Christian Unity Hospital Corporation		Part V, Section B, Line 3 We had individuals from different aspects of the community including, Public Schools, Daycare Providers, County Health, Mental Health Community, and other various businesses
Christian Unity Hospital Corporation		Part V, Section B, Line 5c The Hospital's Community Health Needs Assessment is available at www.unitymedcenter.com

Identifier	ReturnReference	Explanation
Christian Unity Hospital Corporation		Part V, Section B, Line 6: The Implementation Strategy is not attached to the Form 990 due to system limitations however it is available upon request
Christian Unity Hospital Corporation		Part V, Section B, Line 7: Two of the needs identified in the CHNA which are not being addressed were kidney dialysis and dermatology. Kidney dialysis requires a substantial financial outlay and the number of dialysis patients in our study does not support a dialysis unit, but, potentially, we could have a visiting physician address this issue. We have not been able to obtain a visiting physician to take care of kidney dialysis. It is not financially feasible for us to hire a dermatologist. Also we have not had success in attempting to find a dermatologist who could take time out of their very busy schedule to come up to the Grafton Family Clinic to serve Grafton patients as a visiting physician. During the year, the organization began to address the need for increased colorectal cancer screenings. The Community Relations Committee plans to begin the education process through articles and brochures in the near future.

Identifier	ReturnReference	Explanation
Christian Unity Hospital Corporation		Part V, Section B, Line 14g Patients who do not pay after 90 days meet with the Patient Account Representative and go over their available options including financial assistance The organizations posts the EMTALA law in their emergency room The organization is also weighing their options of how to make their financial assistance policy more widely available to the public including the possibility of posting the policy on their website
Christian Unity Hospital Corporation		Part V, Section B, Line 22 All individuals eligible under the hospital financial assistance policy are provided a discount for emergency and other medically necessary care FAP-eligible patients without insurance may be charged gross charges on elective procedures

Identifier	ReturnReference	Explanation
		Part VI, Line 2 We finalized our community health needs assessment early in FY2013 and our board of directors adopted an implementation strategy as a result of the findings at that time We have community members from different backgrounds/occupations that serve on our Board of Directors They are open to listening to other community members regarding health care needs These are brought to the Board and considered at that time UMC also brings in specialty doctors to our rural health clinic to enhance the services that are already offered We offer services such as oncology, psychiatry, etc
		Part VI, Line 3 A sign near the entrance to the emergency room indicates we "provide medical care for those who cannot afford to pay " Another posting states that "the facility is legally obligated to serve the community " For those patients who do not pay on their balances, we contact them by phone They visit with our Patient Account Representative The Representative discusses payment arrangements, eligibility for certain programs, such as Medicaid, and then charity care, if necessary If we cannot get those patients to come in and talk, we try to make arrangements over the phone and through the mail, if necessary

Identifier	ReturnReference	Explanation
		<p>Part VI, Line 4 Grafton is a rural community of approximately 4,284 residents located in Walsh County, North Dakota The median household income for Walsh County is \$44,139 for 2006-2010 per the US Census Data 9.9% of individuals in the Walsh County fall below the poverty level Unity Medical Center serves the population of Grafton and several surrounding smaller communities The area is also served by a hospital in Park River and a hospital in Grand Forks Approximately 7.6% of the hospital's business in FY 2013 was to private pay individuals Approximately 4.31% of our business was to Medicaid recipients We also have a Migrant Health office in the community to serve migrant workers</p>
		<p>Part VI, Line 5 The Unity Medical Center (UMC) governing body is comprised of persons who reside in our primary service area The board members are neither contractors, or family members of the organization Medical staff privileges are extended to those qualified physicians in our community who have applied for and been granted medical privileges, per our credentialing process Surplus funds, when available, are used to purchase equipment or make purchases to improve the building structure for the purpose of improving patient care Unity Medical Center Foundation also assists the hospital with capital purchases UMC offers 24 hour access to emergency room care, which is available to all individuals, regardless of their ability to pay for the care UMC offers acute care, swing bed care, general surgery, as well as many outpatient services UMC does participate in education of healthcare professionals We take approximately 2-3 medical students per year and several Physical Therapy students throughout the year from the University of North Dakota We do training for students from technical schools, as well, as requested UMC is the only hospital and clinic in the community, therefore, we are a viable part of this community UMC offers programs such as diabetes screenings, flu vaccination clinics, free blood pressure checks, KIDS UMC (education for young children), etc UMC also has a representative on the Mayor's Committee of Wellness for the community UMC brings in specialty doctors to our clinic in order to offer more necessary services to our patient population, i.e. oncology, psychiatry, etc We offer volunteer opportunities for high school students and adults We have twenty members of our UMC Auxiliary Services that volunteer here every week for the benefit of the facility</p>

Identifier	ReturnReference	Explanation
		Part VI, Line 6 N/A

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2012

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
Christian Unity Hospital Corporation

Employer identification number
45-0310159

Part I

Questions Regarding Compensation

	Yes	No
<div>1a</div> <div>Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.</div> <div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
<div>1b</div> <div>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.</div>		
<div>2</div> <div>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?</div>		
<div>3</div> <div>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.</div> <div><div><input type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Written employment contract</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
<div>4</div> <div>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:</div>		
<div>4a</div> <div>Receive a severance payment or change-of-control payment?</div>		No
<div>4b</div> <div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div>		No
<div>4c</div> <div>Participate in, or receive payment from, an equity-based compensation arrangement?</div>		No
<div></div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.</div>		
<div></div> <div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div>		
<div>5</div> <div>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:</div>		
<div>5a</div> <div>The organization?</div>	Yes	
<div>5b</div> <div>Any related organization?</div>		No
<div></div> <div>If "Yes," to line 5a or 5b, describe in Part III.</div>		
<div>6</div> <div>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:</div>		
<div>6a</div> <div>The organization?</div>		No
<div>6b</div> <div>Any related organization?</div>		No
<div></div> <div>If "Yes," to line 6a or 6b, describe in Part III.</div>		
<div>7</div> <div>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.</div>		No
<div>8</div> <div>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.</div>		No
<div>9</div> <div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</div>		

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				
(1)Dr Linda Fillipi Physician/Medical Staff President	(i)	165,772	0	0	0	8,517	174,289	0
	(ii)	0	0	0	0	0	0	0
(2)Everett Butler CEO	(i)	150,830	0	0	0	8,240	159,070	0
	(ii)	0	0	0	0	0	0	0
(3)Dr Abdul Hafeez Physician	(i)	211,268	0	0	0	23,094	234,362	0
	(ii)	0	0	0	0	0	0	0
(4)Dr Joshua O motunde MD	(i)	221,398	0	0	0	20,494	241,892	0
	(ii)	0	0	0	0	0	0	0
(5)Dr Anthony Kotnik MD	(i)	159,029	0	0	0	19,426	178,455	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 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
	Part I, Line 3	The Organization bases salaries and wages on the ND Healthcare Survey. There is an annual performance evaluation completed and then a raise, up to 3%, is given based on that evaluation.
	Part I, Line 5	Physician compensation is calculated monthly. Physicians earn 58 percent of gross revenues from gross professional charges.

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
Christian Unity Hospital Corporation

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2012

Open to Public Inspection

Employer identification number
45-0310159

Part I

Bond Issues

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A City of Grafton	45-6002080	384455BF7	04-23-2008	2,363,560	Capital improvements to hospital		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	215,000							
2	Amount of bonds legally defeased								
3	Total proceeds of issue	2,363,560							
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	47,000							
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	2,316,560							
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2009							
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X						
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III

Private Business Use

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

Part III Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X						
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0 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%							
6	Total of lines 4 and 5	0 00000%							
7	Does the bond issue meet the private security or payment test?		X						
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?		X						

Part IV Arbitrage

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

Part IV

Arbitrage (Continued)

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

Part V

Procedures To Undertake Corrective Action

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

Part VI

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

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

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
Christian Unity Hospital Corporation

Employer identification number
45-0310159

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 1	
	Form 990, Part VI, Section A, line 6	Membership in the corporation shall be either lifetime or annual, and shall be limited to adult individuals as follows 1) Those individuals or companies contributing \$100 to the corporation, or to the development fund of the Medical Center Corporation, shall, upon specific request, be entitled to a life membership If an individual or company makes a contribution of \$200 or more, they shall be entitled to designate one additional immediate family member or company employee (limited to two per family or company), respectively, for lifetime membership effective retroactively 2) Those individuals residing in the Unity Medical Center service area shall be granted annual membership at no fee They shall be granted annual membership status by showing proof of residing in the Corporation service area
	Form 990, Part VI, Section A, line 7a	Each member of the corporation in good standing shall be qualified to cast one vote on any issue that may properly come before any meeting of the members of the corporation, and to hold any office in the corporation to which he or she may be elected or appointed
	Form 990, Part VI, Section B, line 11	The CFO & CEO will review a draft of the Form 990 Unity Medical Center will provide the board members with a link and a password to an electronic copy of the 990
	Form 990, Part VI, Section B, line 12c	Annually board members must sign a conflict of interest policy If a board member believes that a conflict exists it is their responsibility to bring the conflict to the attention of the board The board will determine if a conflict exists Any board members with a conflict of interest must abstain from voting on any issues relating to the conflict
	Form 990, Part VI, Section B, line 15	A formal evaluation is completed for both the CEO and CFO Comparability data is used from the North Dakota Hospital Association At budget time each year the board will approve a percentage increase The deliberation and decision is documented in the board minutes The process was last completed in June 2013
	Form 990, Part VI, Section C, line 19	The governing documents, conflict of interest policy and financial statements are made available upon request
Director Compensation and Hours Devoted	Form 990, Part VII	Dr Linda Fillipi does not receive compensation for being the Medical Staff President on the Board of Directors The compensation she received reported in Part VII is in relation to her medical services as a physician She devoted 1 hour per week to her position as a Board Member

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
Christian Unity Hospital Corporation

Employer identification number
45-0310159

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

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
(1) Unity Medical Center Foundation 164 West 13th Street Grafton, ND 58237 36-3522304	Fundraising for Unity Medical Center	ND	501(c)(3)	Line 7	Christian Unity Hospital Corporation DBA Unity Medical Center	Yes	

Part III

Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" 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) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" 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

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

No

1b

No

1c

Yes

1d

No

1e

Yes

1f

No

1g

No

1h

No

1i

No

1j

No

1k

No

1l

No

1m

No

1n

Yes

1o

Yes

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) Unity Medical Center Foundation	C	110,833	Contribution amount per GL

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]

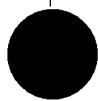
Software ID:
Software Version:
EIN: 45-0310159
Name: Christian Unity Hospital Corporation

Part VII Supplemental Information

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

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

-->



Consolidated Financial Statements
June 30, 2013 and 2012

Unity Medical Center and Subsidiary
Grafton, North Dakota

Unity Medical Center and Subsidiary

Table of Contents June 30, 2013 and 2012

Independent Auditor's Report.	1
Consolidated Financial Statements	
Balance Sheets	3
Statements of Operations	4
Statements of Changes in Net Assets	5
Statements of Cash Flows	6
Notes to Financial Statements	8
Consolidating and Supplementary Information	
Independent Auditor's Report on Consolidating and Supplementary Information	23
Consolidating Balance Sheet, June 30, 2013	24
Consolidating Statement of Operation, Year Ended June 30, 2013	25
Consolidating Statement of Changes in Net Assets, Year Ended June 30, 2013	26
Consolidating Balance Sheet, June 30, 2012	27
Consolidating Statement of Operations, Year Ended June 30, 2012	28
Consolidating Statement of Changes in Net Assets, Year Ended June 30, 2012	29
Balance Sheet – Hospital	30
Schedules of Operations – Hospital	31
Schedules of Changes in Net Assets – Hospital	32
Schedules of Net Patient Service Revenue – Hospital	33
Schedules of Other Revenue – Hospital	34
Schedules of Expenses – Hospital	35
Statistical and Financial Highlights – Hospital	37



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Christian Unity Hospital Corporation d/b/a Unity Medical Center (Medical Center), which comprise the consolidated balance sheets as of June 30, 2013 and 2012, 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 financial statements

Management's Responsibility for the 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 auditor's 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 auditor considers 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 Christian Unity Hospital Corporation as of June 30, 2013 and 2012, and the results of its operations, changes in net assets, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Emphasis of Matter

As discussed in Note 13 to the consolidated financial statements, the Medical Center adopted Accounting Standards Update (ASU) 2011-07, *Health Care Entities (Topic 954) Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*, which changed the presentation for the provision for bad debts and related disclosures. Our opinion is not modified with respect to that matter.

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

Fargo, North Dakota
January 28, 2014

(This page left blank intentionally.)

	2013	2012
Assets		
Current Assets		
Cash and cash equivalents	\$ 354,335	\$ 389,507
Receivables		
Patient, net of estimated uncollectibles		
of \$643,000 in 2013 and \$656,000 in 2012	1,630,397	1,316,593
Estimated third-party payor settlements	286,000	196,000
Pledges	28,243	112,950
Other	57,793	80,360
Supplies	109,984	126,092
Prepaid expenses	30,405	51,447
Total current assets	<u>2,497,157</u>	<u>2,272,949</u>
Assets Limited as to Use		
By Board for capital improvements	1,100,715	1,060,614
Under bond indenture agreement	161,175	161,175
Total assets limited as to use	<u>1,261,890</u>	<u>1,221,789</u>
Property and Equipment, Net	<u>2,878,749</u>	<u>3,160,446</u>
Other Assets		
Deferred financing costs, net of accumulated amortization		
of \$11,238 in 2013 and \$9,063 in 2012	54,012	56,187
Pledges receivable, net of estimated uncollectibles		
of \$1,360 in 2013 and \$4,272 in 2012	11,885	22,491
Total other assets	<u>65,897</u>	<u>78,678</u>
Total assets	<u>\$ 6,703,693</u>	<u>\$ 6,733,862</u>

See Notes to Consolidated Financial Statements

Unity Medical Center and Subsidiary
Consolidated Balance Sheets
June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Liabilities and Net Assets		
Current Liabilities		
Note payable	\$ 110,075	\$ -
Current maturities of long-term debt	117,718	148,885
Accounts payable	454,556	391,407
Construction payables	-	33,160
Accrued expenses		
Salaries and wages	191,879	175,567
Vacation and sick	266,353	248,714
Interest	18,462	18,808
Other	84,509	55,357
Total current liabilities	<u>1,243,552</u>	<u>1,071,898</u>
Long-Term Debt, Less Current Maturities	<u>2,160,755</u>	<u>2,215,937</u>
Total liabilities	<u>3,404,307</u>	<u>3,287,835</u>
Net Assets		
Unrestricted	3,084,431	3,197,914
Temporarily restricted	<u>214,955</u>	<u>248,113</u>
Total net assets	<u>3,299,386</u>	<u>3,446,027</u>
Total liabilities and net assets	<u><u>\$ 6,703,693</u></u>	<u><u>\$ 6,733,862</u></u>

Unity Medical Center and Subsidiary
Consolidated Statements of Operations
Years Ended June 30, 2013 and 2012

	2013	2012
Unrestricted Revenues, Gains and Other Support		
Net patient service revenue	\$ 7,909,848	\$ 7,865,329
Provision for bad debts	(406,517)	(647,925)
Net patient service revenue less provision for bad debts	<u>7,503,331</u>	<u>7,217,404</u>
Sales tax revenues	226,477	216,556
Other revenue	<u>132,291</u>	<u>242,288</u>
Total revenues, gains and other support	<u>7,862,099</u>	<u>7,676,248</u>
Expenses		
Nursing services	1,766,890	1,571,604
Other professional services	1,950,857	2,027,875
Clinic services	1,220,477	1,267,076
General services	638,749	626,007
Administrative and fiscal services	2,088,909	1,780,541
Depreciation and amortization	509,982	486,614
Interest	<u>123,263</u>	<u>130,097</u>
Total expenses	<u>8,299,127</u>	<u>7,889,814</u>
Operating Loss	<u>(437,028)</u>	<u>(213,566)</u>
Other Income		
Investment income	73,353	95,218
Contributions and other	<u>111,655</u>	<u>58,374</u>
Total other income	<u>185,008</u>	<u>153,592</u>
Expenses in Excess of Revenues	(252,020)	(59,974)
Change in Unrealized Gains and Losses on Investments	(16,737)	(35,947)
Net Assets Released From Restrictions for Property and Equipment	155,274	142,255
Contributions for Long-Lived Assets	<u>-</u>	<u>47,707</u>
Increase (Decrease) in Unrestricted Net Assets	<u><u>\$ (113,483)</u></u>	<u><u>\$ 94,041</u></u>

Unity Medical Center and Subsidiary
Consolidated Statements of Changes in Net Assets
Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Unrestricted Net Assets		
Expenses in excess of revenues	\$ (252,020)	\$ (59,974)
Change in unrealized gains and losses on investments	(16,737)	(35,947)
Net assets released from restrictions for property and equipment	155,274	142,255
Contributions for long-lived assets	<u>-</u>	<u>47,707</u>
Increase (decrease) in unrestricted net assets	<u>(113,483)</u>	<u>94,041</u>
Temporarily Restricted Net Assets		
Restricted contributions	122,116	63,386
Net assets released from restrictions	<u>(155,274)</u>	<u>(142,255)</u>
Decrease in temporarily restricted net assets	<u>(33,158)</u>	<u>(78,869)</u>
Increase (Decrease) in Net Assets	(146,641)	15,172
Net Assets, Beginning of Year	<u>3,446,027</u>	<u>3,430,855</u>
Net Assets, End of Year	<u><u>\$ 3,299,386</u></u>	<u><u>\$ 3,446,027</u></u>

Unity Medical Center and Subsidiary
Consolidated Statements of Cash Flows
Years Ended June 30, 2013 and 2012

	2013	2012
Operating Activities		
Change in net assets	\$ (146,641)	\$ 15,172
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation and amortization	509,982	486,614
Provisions for bad debt	406,517	647,925
Proceeds from sales tax revenue	(226,477)	(216,556)
Change in unrealized gains and losses on investments	16,737	35,947
Restricted contributions	(122,116)	(63,386)
Realized gain on sale of investments	(14,705)	(22,016)
Contributions for long-lived assets	(155,274)	(47,707)
Changes in assets and liabilities		
Receivables	(697,754)	(611,732)
Estimated third-party payor settlements	(90,000)	(63,000)
Supplies	16,108	(20,140)
Prepaid expenses	21,042	1,809
Accounts payable	63,149	85,281
Accrued expenses	62,757	38,242
Net Cash From (Used For) Operating Activities	(356,675)	266,453
Investing Activities		
Purchase of property and equipment	(226,110)	(182,011)
Purchase of investments limited as to use by Board	(585,849)	(302,263)
Sale of investments limited as to use by Board	543,716	211,900
Net Cash Used For Investing Activities	(268,243)	(272,374)
Financing Activities		
Increase (decrease) in notes payable	110,075	(60,000)
Proceeds from issuance of long-term debt	70,000	-
Repayment of long-term debt	(156,349)	(131,340)
Payment of construction payable	(33,160)	-
Proceeds from sales tax revenue	226,477	216,556
Restricted contributions	104,939	50,957
Collection of pledge receivables	112,490	144,755
Contributions for long-lived assets	155,274	47,707
Net Cash From Financing Activities	589,746	268,635
Net Increase (Decrease) in Cash and Cash Equivalents	(35,172)	262,714
Cash and Cash Equivalents, Beginning of Year	389,507	126,793
Cash and Cash Equivalents, End of Year	\$ 354,335	\$ 389,507

Unity Medical Center and Subsidiary
Consolidated Statements of Cash Flows
Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	<u>\$ 123,609</u>	<u>\$ 130,669</u>
Supplemental Disclosure of Non-cash Investing and Financing Activity		
Equipment financed through construction payable	<u>\$ -</u>	<u>\$ 33,160</u>
Equipment financed through capital lease	<u>\$ -</u>	<u>\$ 112,092</u>
Increase in pledges receivable	<u>\$ 17,177</u>	<u>\$ 10,005</u>

Note 1 - Organization and Significant Accounting Policies

Organization

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

Principles of Consolidation

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

Income Taxes

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

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

Use of Estimates

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

Fair Value Measurements

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

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

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

Cash and Cash Equivalents

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

Patient Receivables

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

Patient accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Organization 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 provisions 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 Organization analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). 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 Organization records a significant provision for bad debts in the period of service based on its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates, if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Organization's process for calculating the allowance for doubtful accounts for self-pay patients has not significantly changed from June 30, 2012 to June 30, 2013. The Medical Center does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant write offs from third-party payors. The Medical Center has not significantly changed its charity care or uninsured discount policies during fiscal years 2013 or 2012.

Pledges Receivable – Fair Value Election

Unconditional promises to give are reported at net realizable value if, at the time the promise is made, payment is expected to be received in one year or less. Unconditional promises to give, less an allowance for estimated uncollectible amounts, are recorded as contributions receivable and temporarily restricted support in the year the promise is made, unless the donor explicitly states that the give is to support current activities. Unconditional promises that are expected to be collected in more than one year are reported at fair value initially and in subsequent period because the Organization has elected that measure in accordance with Accounting Standards Codification (ASC) 825-10. Management believes that the use of fair value reduces the cost of measuring unconditional promises to give in periods subsequent to their receipt and provides equal or better information to the users of the financial statements than if those promises were measured using present value techniques and historical discount rates.

Supplies

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

Investments and Investment Income

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

Assets Limited as to Use

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

Property and Equipment

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

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

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

Deferred Financing Costs

Deferred financing costs are amortized over the period the related obligation is outstanding using the straight-line method. The straight-line method is a reasonable estimate of the effective rate method.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Organization has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Organization in perpetuity. At June 30, 2013 and 2012, the Organization did not have permanently restricted net assets.

Net Patient Service Revenue

The Organization has agreements with third-party payors that provide for payments to the Organization at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

The Organization recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered, as noted above. For uninsured patients that do not qualify for charity care, the Organization 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 Organization's uninsured and other self-pay patients will be unable or unwilling to pay for the services provided. Thus, the Organization records a significant provision for bad debts related to uninsured and other self-pay patients in the period the services are provided.

Net patient service revenue, but before the provisions for bad debts, recognized for the years ended June 30, 2013 and 2012 from these major payor sources, is as follows:

	2013	2012
Net patient service revenue		
Third-party payors	\$ 7,311,091	\$ 7,199,504
Self-pay	598,757	665,825
	<u>\$ 7,909,848</u>	<u>\$ 7,865,329</u>

Sales Tax Revenue

The Organization receives revenue from a 1% county sales tax on purchases in Walsh County, North Dakota. In addition, the Organization receives half of a 1% economic development sales tax assessed on purchases made in Walsh County, North Dakota. These funds are to be used to support operations. Sales tax revenue is recognized when the funds are received from Walsh County. Sales tax revenue recognized totaled \$226,477 and \$216,556 for the years ended June 30, 2013 and 2012.

Expenses in Excess of Revenues

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

Charity Care

The Organization provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than established rates. Because the Organization does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The amount of charges foregone for services provided under the Organization's charity care policy were approximately \$72,000 and \$63,000 for the years ended June 30, 2013 and 2012. Total direct and indirect costs related to these foregone charges were \$54,000 and \$45,000 at June 30, 2013 and 2012, based on average ratios of cost to gross charges.

Electronic Health Record Incentive Payments

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

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

The Organization recognizes EHR incentive payments as revenue when there is reasonable assurance that the Organization will comply with the conditions attached to the incentive payments. As the entire EHR incentive payment is received in a lump sum for critical access hospitals and the Organization must annually attest to increasingly stringent meaningful use criteria, the EHR incentive payment will first be recognized as a deferred revenue with a ratable recognition of revenue over a specified time period. EHR incentive payments will be included in other operating revenue in the accompanying financial statements. The amount of EHR incentive payments recognized are based on management's best estimate and those amounts are subject to change with changes impacting the period in which they occur. The Organization has not received any EHR incentive payment as of June 30, 2013.

Donor-restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When donor stipulated time restrictions or purpose restrictions are met or accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the statement of operations.

Advertising Costs

The Organization expenses advertising costs as they are incurred.

Reclassifications

Reclassifications have been made to the June 30, 2012 financial information to make it conform to the current year presentation. The reclassifications had no effect on previously reported operating results or changes in net assets.

Note 2 - Net Patient Service Revenue

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

Medicare. The Organization is licensed as a Critical Access Hospital. The Organization is reimbursed for most inpatient and outpatient services at cost plus 1%, subject to sequestration reduction, with final settlement determined after submission of annual cost reports by the Organization and audits thereof by the Medicare fiscal intermediary. The Organization's Medicare cost reports have been audited by the Medicare fiscal intermediary through June 30, 2012. Clinical services are paid on a fixed fee schedule or on a cost basis, subject to various limits, for rural health clinic services.

Medicaid. Inpatient and outpatient hospital services provided to the Medicaid program beneficiaries are paid on a cost-related basis. Inpatient services are reimbursed using Medicare interim per diem rates, decreased by 1%, and outpatient services are paid at the Medicare interim payment rates. Final cost settlements are determined based on the audited Medicare cost report. Clinical services are paid on a fixed fee schedule.

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

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

Revenue from Medicare, Medicaid, and Blue Cross Blue Shield programs accounted for approximately 47%, 7%, and 30% of the Organization's net patient service revenue for the year ended June 30, 2013 and 46%, 7% and 29% for the year ended June 30, 2012. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Net patient service revenue for the years ended June 30, 2013 and 2012 increased approximately \$157,000 and \$57,000. These fluctuations were due to changes in estimates and final settlements of prior year cost reports.

Unity Medical Center and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2013 and 2012

A summary of patient service revenue, contractual adjustments, and bad debts for the years ended June 30, 2013 and 2012 is as follows

	<u>2013</u>	<u>2012</u>
Total patient service revenue	\$ 9,797,946	\$ 9,536,305
Contractual adjustments		
Medicare	(748,652)	(775,274)
Medicaid	(407,386)	(370,406)
Blue Cross/Blue Shield	(533,095)	(339,326)
Other	(198,965)	(185,970)
Total contractual adjustments	<u>(1,888,098)</u>	<u>(1,670,976)</u>
Net patient service revenue	7,909,848	7,865,329
Less provisions for bad debts	<u>(406,517)</u>	<u>(647,925)</u>
Net patient service revenue less provisions for bad debts	<u>\$ 7,503,331</u>	<u>\$ 7,217,404</u>

Note 3 - Investments And Investment Income

Assets Limited as to Use

The composition of assets limited as to use at June 30, 2013 and 2012 is shown in the following table. Corporate bonds and mutual funds are stated at fair value. Cash, short-term investments, and cash surrender value of insurance policies are stated at cost plus accrued interest.

	<u>2013</u>	<u>2012</u>
By Board for capital improvements		
Cash and short-term investments	\$ 269,361	\$ 176,006
Cash surrender value of insurance policies	9,558	9,301
Corporate bonds	73,551	136,815
Mutual funds	748,245	738,492
	<u>1,100,715</u>	<u>1,060,614</u>
Under bond indenture agreement		
Cash and short-term investments	<u>161,175</u>	<u>161,175</u>
	<u>\$ 1,261,890</u>	<u>\$ 1,221,789</u>

Investment Income

Investment income on assets limited as to use and cash equivalents consists of the following for the years ended June 30, 2013 and 2012

	2013	2012
Investment income		
Dividend and interest income	\$ 58,648	\$ 73,202
Realized gains (losses)	14,705	22,016
	<u>\$ 73,353</u>	<u>\$ 95,218</u>
Other changes in unrestricted net assets		
Change in unrealized gains and losses on investments	<u>\$ (16,737)</u>	<u>\$ (35,947)</u>

Note 4 - Property and Equipment

A summary of property and equipment at June 30, 2013 and 2012 follows:

	2013		2012	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	\$ 43,017	\$ -	\$ 43,017	\$ -
Land improvements	243,697	168,888	243,697	156,944
Buildings and fixed equipment	7,321,460	4,918,640	7,146,683	4,519,623
Equipment	2,500,084	2,141,981	2,388,735	2,045,136
Construction in progress	-	-	60,017	-
	<u>\$ 10,108,258</u>	<u>\$ 7,229,509</u>	<u>\$ 9,882,149</u>	<u>\$ 6,721,703</u>
Net property and equipment		<u>\$ 2,878,749</u>		<u>\$ 3,160,446</u>

Note 5 - Pledges Receivable

The Organization has received pledges from individuals in the community and the surrounding area. Certain pledges are receivable over a period of time, and are discounted at an annual rate of 4.5%. The following is a summary of pledges receivable at June 30, 2013 and 2012:

	2013	2012
Current pledges receivable	\$ 28,243	\$ 112,950
Amounts receivable in one to five years	16,531	28,314
	<u>44,774</u>	<u>141,264</u>
Less allowance for doubtful accounts	(1,360)	(4,272)
Less discount to present value	<u>(3,286)</u>	<u>(1,551)</u>
Pledges receivable	<u><u>\$ 40,128</u></u>	<u><u>\$ 135,441</u></u>

Note 6 - Leases

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

	2013	2012
Equipment	\$ 112,092	\$ 112,092
Less accumulated depreciation	<u>(46,705)</u>	<u>(9,341)</u>
	<u><u>\$ 65,387</u></u>	<u><u>\$ 102,751</u></u>

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

Minimum future lease payments for the capital lease are as follows:

Year Ending June 30,	Amount
2014	\$ 40,422
2015	26,949
Total	<u>67,371</u>
Less Interest	<u>(3,128)</u>
Present value of minimum lease payments - Note 7	<u><u>\$ 64,243</u></u>

Note 7 - Note Payable and Long-Term Debt

Long-term debt consists of

	<u>2013</u>	<u>2012</u>
3 75% to 5 5% Sales Tax Revenue Bonds, Series 2008, due in varying annual installments, through May 2038, secured by tax revenues of the City of Grafton	\$ 2,135,000	\$ 2,180,000
4 5% note payable, due in monthly installments of \$5,603 including interest, to September 2013, secured by inventory, accounts, equipment and other assets	16,699	81,549
4 0% note payable, due in monthly installments of \$1,291 including interest, to November 2017, secured by inventory, accounts receivable, equipment, and other assets	62,531	-
Capitalized lease obligation, Note 6	64,243	100,069
5 75% note payable	-	3,204
	<u>2,278,473</u>	<u>2,364,822</u>
Less current maturities	<u>(117,718)</u>	<u>(148,885)</u>
Long-term debt, less current maturities	<u><u>\$ 2,160,755</u></u>	<u><u>\$ 2,215,937</u></u>

Long-term debt maturities are as follows.

<u>Year Ending June 30.</u>	<u>Amount</u>
2014	\$ 117,718
2015	90,161
2016	64,306
2017	69,900
2018	61,388
Thereafter	<u>1,875,000</u>
Total	<u><u>\$ 2,278,473</u></u>

Note Payable

The Organization has an arrangement with a bank for a line of credit not to exceed \$400,000. The line of credit has a variable interest rate of prime plus 1.25% with a provision that the interest rate will not be less than 4.5%. At June 30, 2013, the interest rate was 4.5%. Interest on the outstanding balance is due monthly and outstanding principal is due December 2013. The line of credit is secured by accounts receivable and inventory. The balance outstanding on the line of credit was \$110,075 at June 30, 2013. There was no outstanding balance at June 30, 2012.

Note 8 - Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30, 2013 and 2012

	2013	2012
Health care related programs	\$ 65,829	\$ 65,829
Property and equipment	149,126	182,284
	<u>\$ 214,955</u>	<u>\$ 248,113</u>

In 2013 and 2012, net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes in the amounts of \$155,274 and \$142,255. This amount is included in net assets released from restrictions in the accompanying consolidated financial statements.

Note 9 - Pension Plan

The Organization has a 401k profit sharing plan that covers substantially all employees. To be eligible, the employee must be over 21 years of age, complete one year of service, and work over 1,000 hours. The employer contributions are determined annually by the Board of Trustees. There were no contributions to the pension plan for the years ended June 30, 2013 and 2012.

Note 10 - Concentration of Credit Risk

The Organization grants credit without collateral to its patients, most of whom are local citizens and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at June 30, 2013 and 2012 was as follows:

	2013	2012
Medicare	37%	32%
Medicaid	9%	6%
Blue Cross	16%	11%
Commercial insurance	8%	19%
Private pay	30%	32%
	<u>100%</u>	<u>100%</u>

Note 11 - Functional Expenses

The Organization provides health care services to residents within its geographic location. Expenses related to providing these services by functional class for the years ended June 30, 2013 and 2012 are as follows:

	2013	2012
Patient health care services	\$ 7,126,437	\$ 6,815,058
General and administrative	1,172,690	1,074,756
	<u>\$ 8,299,127</u>	<u>\$ 7,889,814</u>

Note 12 - Fair Value of Assets

Assets measured at fair value on a recurring basis at June 30, 2013 and 2012, respectively, are as follows:

	2013	2012
Corporate bonds	\$ 73,551	\$ 136,815
Mutual funds	748,245	738,492
Pledges receivable	40,128	135,441
Total	<u>\$ 861,924</u>	<u>\$ 1,010,748</u>

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

	Total	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
June 30, 2013				
Corporate bonds	\$ 73,551	\$ 73,551	\$ -	\$ -
Mutual funds	748,245	748,245	-	-
Pledges receivable	40,128	-	-	40,128
Total assets	<u>\$ 861,924</u>	<u>\$ 821,796</u>	<u>\$ -</u>	<u>\$ 40,128</u>

Unity Medical Center and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2013 and 2012

	Total	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
June 30, 2012				
Corporate bonds	\$ 136,815	\$ 136,815	\$ -	\$ -
Mutual funds	738,492	738,492	-	-
Pledges receivable	135,441	-	-	135,441
Total assets	<u>\$ 1,010,748</u>	<u>\$ 875,307</u>	<u>\$ -</u>	<u>\$ 135,441</u>

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

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

	Pledges Receivable
Balance, June 30, 2011	\$ 267,691
New pledges received	2,500
Change in present value calculation	5,789
Change in allowance for uncollectible pledges	4,216
Collections from pledges receivable	<u>(144,755)</u>
Balance, June 30, 2012	135,441
New pledges received	16,000
Change in present value calculation	(1,735)
Change in allowance for uncollectible pledges	2,912
Collections from pledges receivable	<u>(112,490)</u>
Balance, June 30, 2013	<u>\$ 40,128</u>

Note 13 - Change in Accounting Principles

As of and for the year ended June 30, 2013, the Organization adopted the provisions of ASU No 2011-07, *Health Care Entities (Topic 954) Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*, as required. In accordance with the implementation guidance, the Organization retroactively applied the presentation requirements to 2012. The impact on 2012 was a decrease to total revenues, gains, and other support of \$647,925 and a decrease to total expenses of \$647,925 in the statements of operations. There was no impact on operating income or net assets.

Note 14 - Contingencies

Malpractice Insurance

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

Litigation, Claims, and Disputes

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

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

Note 15 - Subsequent Events

The Organization has evaluated subsequent events through January 28, 2014, the date which the consolidated financial statements were available to be issued.



Consolidating and Supplementary Information
June 30, 2013 and 2012

Unity Medical Center and Subsidiary



Independent Auditor's Report on Consolidating and Supplementary Information

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

We have audited the consolidated financial statements of Christian Unity Hospital Corporation d/b/a Unity Medical Center and Subsidiary as of and for the years ended June 30, 2013 and 2012, and our report thereon dated January 28, 2014, which expressed an unmodified opinion on those consolidated financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 24 through 29 is presented for purposes of additional analysis of the basic consolidated financial statements rather than to present the financial position, results of operations, changes in net assets, and cash flows of the individual organizations. The supplementary information on pages 30 through 36 is presented for additional analysis and is not a required part of the basic consolidated financial statements. Such consolidating and supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The Statistical and Financial Highlights - Hospital shown on page 37, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. This information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Fargo, North Dakota
January 28, 2014

	Medical Center	Foundation	Consolidated
Assets			
Current Assets			
Cash and cash equivalents	\$ 347,892	\$ 6,443	\$ 354,335
Receivables			
Patient, net	1,630,397	-	1,630,397
Estimated third-party payor settlements	286,000	-	286,000
Pledges	-	28,243	28,243
Other	57,793	-	57,793
Supplies	109,984	-	109,984
Prepaid expenses	30,405	-	30,405
Total current assets	<u>2,462,471</u>	<u>34,686</u>	<u>2,497,157</u>
Assets Limited as to Use			
By Board for capital improvements	-	1,100,715	1,100,715
Under bond indenture agreement	-	161,175	161,175
Total assets limited as to use	<u>-</u>	<u>1,261,890</u>	<u>1,261,890</u>
Property and Equipment, Net	<u>2,878,749</u>	<u>-</u>	<u>2,878,749</u>
Other Assets			
Deferred financing costs, net	54,012	-	54,012
Pledges receivable, net	-	11,885	11,885
Total other assets	<u>54,012</u>	<u>11,885</u>	<u>65,897</u>
Total assets	<u>\$ 5,395,232</u>	<u>\$ 1,308,461</u>	<u>\$ 6,703,693</u>

Unity Medical Center and Subsidiary
Consolidating Balance Sheet
June 30, 2013

	Medical Center	Foundation	Consolidated
Liabilities and Net Assets			
Current Liabilities			
Note payable	\$ 110,075	\$ -	\$ 110,075
Current maturities of long-term debt	117,718	-	117,718
Accounts payable	454,556	-	454,556
Accrued expenses			
Salaries and wages	191,879	-	191,879
Vacation and sick	266,353	-	266,353
Interest	18,462	-	18,462
Other	84,509	-	84,509
Total current liabilities	1,243,552	-	1,243,552
Long-Term Debt, Less Current Maturities	2,160,755	-	2,160,755
Total liabilities	3,404,307	-	3,404,307
Net Assets			
Unrestricted	1,877,635	1,206,796	3,084,431
Temporarily restricted	113,290	101,665	214,955
Total net assets	1,990,925	1,308,461	3,299,386
Total liabilities and net assets	\$ 5,395,232	\$ 1,308,461	\$ 6,703,693

Unity Medical Center and Subsidiary
Consolidating Statement of Operations
Year Ended June 30, 2013

	Medical Center	Foundation	Consolidated
Unrestricted Revenues, Gains and Other Support			
Net patient service revenue	\$ 7,909,848	\$ -	\$ 7,909,848
Provision for bad debts	(406,517)	-	(406,517)
Net patient service revenue less provision for bad debts	7,503,331	-	7,503,331
Sales tax revenues	226,477	-	226,477
Other revenue	132,291	-	132,291
Total revenues, gains and other support	7,862,099	-	7,862,099
Expenses			
Nursing services	1,766,890	-	1,766,890
Other professional services	1,950,857	-	1,950,857
Clinic services	1,220,477	-	1,220,477
General services	638,749	-	638,749
Administrative and fiscal services	1,933,879	155,030	2,088,909
Depreciation and amortization	509,982	-	509,982
Interest	123,263	-	123,263
Total expenses	8,144,097	155,030	8,299,127
Operating Loss	(281,998)	(155,030)	(437,028)
Other Income			
Investment income	32,080	41,273	73,353
Contributions and other	3,326	108,329	111,655
Total other income	35,406	149,602	185,008
Revenues in Excess of (Less Than) Expenses	(246,592)	(5,428)	(252,020)
Change in Unrealized Gains and Losses on Investments	-	(16,737)	(16,737)
Net Assets Released From Restrictions for Property and Equipment	44,441	110,833	155,274
Transfers from (to) Related Party	110,833	(110,833)	-
Increase (Decrease) in Unrestricted Net Assets	\$ (91,318)	\$ (22,165)	\$ (113,483)

Unity Medical Center and Subsidiary
Consolidating Statement of Changes in Net Assets
Year Ended June 30, 2013

	Medical Center	Foundation	Consolidated
Unrestricted Net Assets			
Revenues in excess of (less than) expenses	\$ (246,592)	\$ (5,428)	\$ (252,020)
Change in unrealized gains and losses on investments	-	(16,737)	(16,737)
Net Assets Released From Restrictions for Property and Equipment	44,441	110,833	155,274
Transfers from (to) related party	110,833	(110,833)	-
	<u>(91,318)</u>	<u>(22,165)</u>	<u>(113,483)</u>
Increase (decrease) in unrestricted net assets			
Temporarily Restricted Net Assets			
Restricted contributions	45,059	77,057	122,116
Net assets released from restrictions	(44,441)	(110,833)	(155,274)
	<u>618</u>	<u>(33,776)</u>	<u>(33,158)</u>
Increase (decrease) in temporarily restricted net assets			
Decrease in Net Assets	(90,700)	(55,941)	(146,641)
Net Assets, Beginning of Year	<u>2,081,625</u>	<u>1,364,402</u>	<u>3,446,027</u>
Net Assets, End of Year	<u><u>\$ 1,990,925</u></u>	<u><u>\$ 1,308,461</u></u>	<u><u>\$ 3,299,386</u></u>

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

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

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

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

	Medical Center	Foundation	Consolidated
Unrestricted Revenues, Gains and Other Support			
Net patient service revenue	\$ 7,865,329	\$ -	\$ 7,865,329
Provision for bad debts	(647,925)	-	(647,925)
Net patient service revenue less provision for bad debts	7,217,404	-	7,217,404
Sales tax revenues	216,556	-	216,556
Other revenue	242,288	-	242,288
Total revenues, gains and other support	7,676,248	-	7,676,248
Expenses			
Nursing services	1,571,604	-	1,571,604
Other professional services	2,027,875	-	2,027,875
Clinic services	1,267,076	-	1,267,076
General services	626,007	-	626,007
Administrative and fiscal services	1,752,063	28,478	1,780,541
Depreciation and amortization	486,614	-	486,614
Interest	130,097	-	130,097
Total expenses	7,861,336	28,478	7,889,814
Operating Loss	(185,088)	(28,478)	(213,566)
Other Income			
Investment income	48,325	46,893	95,218
Contributions and other	-	58,374	58,374
Total other income	48,325	105,267	153,592
Revenues in Excess of (Less Than) of Expenses	(136,763)	76,789	(59,974)
Change in Unrealized Gains and Losses on Investments	-	(35,947)	(35,947)
Net Assets Released From Restrictions	-	142,255	142,255
Contributions for Long-Lived Assets	47,707	-	47,707
Transfers from (to) Related Party	109,007	(109,007)	-
Increase in Unrestricted Net Assets	\$ 19,951	\$ 74,090	\$ 94,041

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

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

	<u>2013</u>	<u>2012</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 347,892	\$ 382,335
Receivables		
Patient, net of estimated uncollectibles		
of \$643,000 in 2013 and \$656,000 in 2012	1,630,397	1,316,593
Estimated third-party payor settlements	286,000	196,000
Other	57,793	80,360
Supplies	109,984	126,092
Prepaid expenses	<u>30,405</u>	<u>51,447</u>
Total current assets	2,462,471	2,152,827
Property and Equipment, Net	2,878,749	3,160,446
Other Assets		
Deferred Financing Costs, Net of Accumulated Amortization		
of \$11,238 in 2013 and \$9,063 in 2012	<u>54,012</u>	<u>56,187</u>
Total assets	<u><u>\$ 5,395,232</u></u>	<u><u>\$ 5,369,460</u></u>

Unity Medical Center and Subsidiary
Balance Sheet – Hospital
June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Liabilities and Net Assets		
Current Liabilities		
Note payable	\$ 110,075	\$ -
Current maturities of long-term debt	117,718	148,885
Accounts payable	454,556	391,407
Construction payable	-	33,160
Accrued expenses		
Salaries and wages	191,879	175,567
Vacation and sick	266,353	248,714
Interest	18,462	18,808
Other	84,509	55,357
	<u>1,243,552</u>	<u>1,071,898</u>
Total current liabilities	1,243,552	1,071,898
Long-Term Debt, Less Current Maturities	<u>2,160,755</u>	<u>2,215,937</u>
	<u>3,404,307</u>	<u>3,287,835</u>
Total liabilities	3,404,307	3,287,835
Net Assets		
Unrestricted	1,877,635	1,968,953
Temporarily restricted	113,290	112,672
	<u>1,990,925</u>	<u>2,081,625</u>
Total net assets	1,990,925	2,081,625
Total liabilities and net assets	<u>\$ 5,395,232</u>	<u>\$ 5,369,460</u>

Unity Medical Center and Subsidiary
Schedules of Operations – Hospital
Years Ended June 30, 2013 and 2012

	2013	2012
Unrestricted Revenues, Gains and Other Support		
Net patient service revenue	\$ 7,909,848	\$ 7,865,329
Provision for bad debts	(406,517)	(647,925)
Net patient service revenue less provision for bad debts	7,503,331	7,217,404
Sales tax revenues	226,477	216,556
Other revenue	132,291	242,288
Total revenues, gains and other support	7,862,099	7,676,248
Expenses		
Nursing services	1,766,890	1,571,604
Other professional services	1,950,857	2,027,875
Clinic services	1,220,477	1,267,076
General services	638,749	626,007
Administrative and fiscal services	1,933,879	1,752,063
Depreciation and amortization	509,982	486,614
Interest	123,263	130,097
Total expenses	8,144,097	7,861,336
Operating Loss	(281,998)	(185,088)
Other Income		
Investment income	32,080	48,325
Contributions and other	3,326	-
Total other income	35,406	48,325
Expenses in Excess of Revenues	(246,592)	(136,763)
Transfers from Related Party	110,833	109,007
Net Assets Released From Restrictions for Property and Equipment	44,441	47,707
Increase (Decrease) in Unrestricted Net Assets	\$ (91,318)	\$ 19,951

Unity Medical Center and Subsidiary
Schedules of Changes in Net Assets – Hospital
Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Unrestricted Net Assets		
Expenses in excess of revenues	\$ (246,592)	\$ (136,763)
Transfers from related party	110,833	109,007
Net Assets Released From Restrictions for Property and Equipment	<u>44,441</u>	<u>47,707</u>
Increase (decrease) in unrestricted net assets	<u>(91,318)</u>	<u>19,951</u>
Temporarily Restricted Net Assets		
Restricted contributions	45,059	53,381
Net assets released from restrictions	<u>(44,441)</u>	<u>-</u>
Increase in temporarily restricted net assets	<u>618</u>	<u>53,381</u>
Increase (Decrease) in Net Assets	(90,700)	73,332
Net Assets, Beginning of Year	<u>2,081,625</u>	<u>2,008,293</u>
Net Assets, End of Year	<u><u>\$ 1,990,925</u></u>	<u><u>\$ 2,081,625</u></u>

2013			
	Inpatient	Outpatient	Total
Patient Service Revenue			
Routine care			
Medical and surgical	\$ 589,953	\$ 392,850	\$ 982,803
Swing bed	340,668	-	340,668
Total routine care	930,621	392,850	1,323,471
Ancillary services			
Clinic	-	2,116,843	2,116,843
Laboratory	113,361	1,137,798	1,251,159
Radiology	74,795	1,018,662	1,093,457
Physical therapy	66,329	542,759	609,088
Occupational therapy	16,036	890	16,926
Home health	-	8,075	8,075
Central service and supply	131,168	294,802	425,970
Anesthesia	15,213	66,933	82,146
Emergency room	11,700	1,077,124	1,088,824
Intravenous therapy	64,749	116,216	180,965
Respiratory therapy	68,004	200,988	268,992
Operating room	23,034	373,786	396,820
Pharmacy	210,069	438,052	648,121
Chemotherapy	-	189,431	189,431
Cardiac rehab	-	32,224	32,224
Electrocardiography	4,960	34,476	39,436
Recovery room	230	74,123	74,353
Diabetes education	-	23,914	23,914
Total ancillary services	799,648	7,747,096	8,546,744
	\$ 1,730,269	\$ 8,139,946	9,870,215
Less charity care - charges foregone			(72,269)
Total patient service revenue			9,797,946
Contractual Adjustments			
Medicare			(748,652)
Medicaid			(407,386)
Blue Cross/Blue Shield			(533,095)
Other			(198,965)
Total contractual adjustments			(1,888,098)
Net Patient Service Revenue			\$ 7,909,848

Unity Medical Center and Subsidiary
Schedules of Net Patient Service Revenue – Hospital
Years Ended June 30, 2013 and 2012

2012		
<u>Inpatient</u>	<u>Outpatient</u>	<u>Total</u>
\$ 580,856	\$ 225,317	\$ 806,173
348,105	-	348,105
<u>928,961</u>	<u>225,317</u>	<u>1,154,278</u>
-	2,039,357	2,039,357
119,033	1,123,748	1,242,781
66,593	1,105,599	1,172,192
68,290	503,732	572,022
17,256	3,619	20,875
-	7,344	7,344
183,917	324,226	508,143
10,194	90,678	100,872
16,185	967,133	983,318
15,052	29,799	44,851
111,331	210,412	321,743
22,616	427,865	450,481
182,711	161,397	344,108
-	459,336	459,336
-	24,878	24,878
6,667	39,990	46,657
1,702	79,853	81,555
-	24,606	24,606
<u>821,547</u>	<u>7,623,572</u>	<u>8,445,119</u>
<u>\$ 1,750,508</u>	<u>\$ 7,848,889</u>	<u>9,599,397</u>
		<u>(63,092)</u>
		<u>9,536,305</u>
		(775,274)
		(370,406)
		(339,326)
		<u>(185,970)</u>
		<u>(1,670,976)</u>
		<u>\$ 7,865,329</u>

Unity Medical Center and Subsidiary
Schedules of Other Revenue – Hospital
Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Other Revenue		
Grant revenue	\$ 88,158	\$ 188,434
Medical records	4,106	4,142
Other	<u>40,027</u>	<u>49,712</u>
Total Other Revenue	<u>\$ 132,291</u>	<u>\$ 242,288</u>

	2013		
	Salaries	Other	Total
Nursing Services			
General nursing	\$ 636,855	\$ 97,950	\$ 734,805
Operating room	92,468	159,723	252,191
Central supply	43,242	85,160	128,402
Emergency room	422,317	229,175	651,492
Total nursing care	1,194,882	572,008	1,766,890
Other Professional Services			
Laboratory	236,819	278,812	515,631
Radiology	161,094	412,655	573,749
Pharmacy	16,048	116,265	132,313
Anesthesia	-	83,955	83,955
Respiratory therapy	101,461	85,344	186,805
Physical therapy	215,570	12,693	228,263
Chemotherapy	38,552	142,201	180,753
Cardiac rehab	23,336	782	24,118
Diabetes education	24,572	698	25,270
Total other professional services	817,452	1,133,405	1,950,857
Clinic Services	1,159,464	61,013	1,220,477
General Services			
Dietary	79,152	37,008	116,160
Operation of plant	155,267	367,322	522,589
Total general services	234,419	404,330	638,749

Unity Medical Center and Subsidiary
Schedules of Expenses – Hospital
Years Ended June 30, 2013 and 2012

2012		
Salaries	Other	Total
\$ 593,179	\$ 103,918	\$ 697,097
116,409	162,830	279,239
34,911	72,277	107,188
232,690	255,390	488,080
977,189	594,415	1,571,604
230,597	272,542	503,139
161,022	442,044	603,066
11,645	119,406	131,051
-	77,641	77,641
102,566	70,023	172,589
211,627	19,890	231,517
35,185	229,567	264,752
19,897	1,679	21,576
20,558	1,986	22,544
793,097	1,234,778	2,027,875
1,209,376	57,700	1,267,076
80,813	37,945	118,758
148,562	358,687	507,249
229,375	396,632	626,007

	2013		
	Salaries	Other	Total
Administrative and Fiscal Services			
Administrative	\$ 180,263	\$ 1,020,061	\$ 1,200,324
Business office	107,686	39,305	146,991
Medical records	207,207	13,429	220,636
Admitting	80,560	-	80,560
Accounting	105,065	96,128	201,193
Community relations	10,938	39,448	50,386
Infection control	29,885	3,904	33,789
Total administrative and fiscal services	721,604	1,212,275	1,933,879
Depreciation and Amortization	-	509,982	509,982
Interest	-	123,263	123,263
Total Expenses	\$ 4,127,821	\$ 4,016,276	\$ 8,144,097

Unity Medical Center and Subsidiary
Schedules of Expenses – Hospital
Years Ended June 30, 2013 and 2012

2012		
Salaries	Other	Total
\$ 166,441	\$ 905,306	\$ 1,071,747
107,098	42,350	149,448
197,193	16,400	213,593
78,996	-	78,996
92,209	71,147	163,356
10,647	32,243	42,890
29,827	2,206	32,033
682,411	1,069,652	1,752,063
-	486,614	486,614
-	130,097	130,097
<u>\$ 3,891,448</u>	<u>\$ 3,969,888</u>	<u>\$ 7,861,336</u>

Unity Medical Center and Subsidiary
Statistical and Financial Highlights – Hospital
Five Years Ended June 30, 2013

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Statistical					
Adult days	772	739	873	708	861
Swing bed days	913	863	738	1,030	1,080
Discharges - adult	194	177	220	219	260
Discharges - swing-bed	75	65	56	68	98
Average length of stay - adult	4.0	4.2	4.0	3.2	3.3
Average length of stay - swing-bed	12.2	14.2	13.2	15.1	11.0
Clinic visits	10,768	12,220	12,941	13,733	17,312
Financial					
Current ratio	2.0 to 1	2.0 to 1	1.9 to 1	1.9 to 1	1.4 to 1
Number of days revenue in patient receivables, net	79.5	66.8	72.7	75.4	84.3
Contractual adjustments as a percentage of total patient service revenue	19.3%	17.5%	17.5%	17.3%	21.3%
Salaries as a percentage of total expenses	50.7%	49.5%	50.6%	51.5%	51.5%