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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 10-01-2012 , 2012, and ending 09-30-2013

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

C Name of organization
STORMONT-VAIL HEALTHCARE INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
1500 SW 10TH AVENUE

City or town, state or country, and ZIP + 4
TOPEKA, KS 666041353

D Employer identification number
48-0543789

E Telephone number
(785) 354-6000

G Gross receipts $ 633,545,948

F Name and address of principal officer
KEVIN J HAN
1500 SW 10TH AVENUE
TOPEKA, KS 666041353

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW STORMONTVAIL ORG

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

L Year of formation 1894

M State of legal domicile KS

Part I Summary

1 Briefly describe the organization's mission or most significant activities
STORMONT-VAIL'S MISSION IS "WORKING TOGETHER TO IMPROVE THE HEALTH OF OUR COMMUNITY" BY PROVIDING QUALITY MEDICAL HEALTH CARE REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, HANDICAP, AGE OR ABILITY TO PAY

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	15
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	13
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	**5**	4,970
6	Total number of volunteers (estimate if necessary)	**6**	639
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	21,164

		Prior Year	Current Year
Revenue **8**	Contributions and grants (Part VIII, line 1h)	556,438	430,397
9	Program service revenue (Part VIII, line 2g)	554,101,812	515,883,852
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	20,878,532	331,606
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	899,423	466,788
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	576,436,205	517,112,643
Expenses **13**	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	321,871,961	313,985,036
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	204,146,186	182,337,931
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	526,018,147	496,322,967
19	Revenue less expenses Subtract line 18 from line 12	50,418,058	20,789,676

		Beginning of Current Year	End of Year
Net Assets or Fund Balances **20**	Total assets (Part X, line 16)	554,200,087	565,232,540
21	Total liabilities (Part X, line 26)	340,105,644	282,723,434
22	Net assets or fund balances Subtract line 21 from line 20	214,094,443	282,509,106

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

****** | 2014-07-21
Signature of officer | Date

KEVIN J HAN VICE PRESIDENT
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
CHERYL G HAYWARD		2014-07-21		P00016097

Firm's name ▶ BERBERICH TRAHAN & CO PA — Firm's EIN ▶ 48-1066439

Firm's address ▶ 3630 SW BURLINGAME ROAD, TOPEKA, KS 666112050 — Phone no (785) 234-3427

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

Part III **Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission

WORKING TOGETHER TO IMPROVE THE HEALTH OF OUR COMMUNITY

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

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

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses $ 453,261,659 including grants of $) (Revenue $ 515,883,852)

STORMONT-VAIL HEALTHCARE, INC (MEDICAL CENTER) PROVIDES QUALITY MEDICAL HEALTH CARE REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, HANDICAP, AGE, OR ABILITY TO PAY FOR THE YEAR ENDED SEPTEMBER 30, 2013, 19,744 INPATIENTS, 63,737 EMERGENCY ROOM PATIENTS, 1,889 NEWBORNS, AND 438 NEONATAL INTENSIVE CARE BABIES WERE SERVED ALTHOUGH REIMBURSEMENT FOR SERVICES RENDERED IS CRITICAL TO THE OPERATION AND STABILITY OF THE MEDICAL CENTER, IT IS RECOGNIZED THAT NOT ALL INDIVIDUALS POSSESS THE ABILITY TO PURCHASE ESSENTIAL MEDICAL SERVICES THE MEDICAL CENTER'S MISSION IS TO SERVE THE COMMUNITY WITH RESPECT TO PROVIDING HEALTH CARE SERVICES AND HEALTH CARE EDUCATION REGARDLESS OF ABILITY TO PAY AS PART OF THIS MISSION, THE MEDICAL CENTER PROVIDES CARE TO PERSONS COVERED BY MEDICARE AND MEDICAID PATIENTS FOLLOWING ARE SOME OF THE BENEFITS PROVIDED AT REDUCED RATES FOR THE FISCAL YEAR IN ADDITION TO THE CHARITY CARE PROVIDED, THE MEDICAL CENTER ALSO PROVIDED SERVICE TO PATIENTS THAT RESULTED IN UNCOLLECTIBLE AMOUNTS AS FOLLOWS BAD DEBT EXPENSE AT COST $11,715,093SHORTFALL OF MEDICARE PAYMENTS AT COST $47,711,210SHORTFALL OF MEDICAID PAYMENTS AT COST $18,486,096 THE MEDICAL CENTER ALSO PROVIDES OTHER HEALTH CARE SERVICES AND PROGRAMS FOR THE BENEFIT OF THE COMMUNITY, FREE OR AT REDUCED RATES EXAMPLES OF THESE INCLUDE - SUBSIDY OF NURSING EDUCATION, MEDICAL EDUCATION, AND ALLIED HEALTH EDUCATION- OPERATING THE REGION'S ONLY LEVEL III NEONATAL INTENSIVE CARE UNIT (NICU) SERVING A HIGH PERCENTAGE OF MEDICALLY INDIGENT PATIENTS- OPERATING A LEVEL II TRAUMA CENTER SERVING NORTHEAST KANSAS- PROVIDE SUPPORT TO LIFESTAR, THE AIR AMBULANCE SERVICE IN NORTHEAST KANSAS- ORGANIZED SUPPORT GROUPS FOR A VARIETY OF TOPICS- APPROXIMATELY 49,000 HOURS OF VOLUNTEER TIME WERE DONATED TO THE MEDICAL CENTER HELPING TO REDUCE THE COST OF PROVIDING HEALTH CARE- MAINTAINING THE HEALTH SCIENCES LIBRARY THAT IS MADE AVAILABLE TO THE PUBLIC FREE OF CHARGE AS A MEDICAL RESOURCE - STORMONT-VAIL EMPLOYEES SUPPORT THE CARE LINE, WHICH IS AN EMERGENCY FUND FOR PATIENTS IN FINANCIAL DISTRESS, PROVIDING SERVICES AND SUPPLIES ON A SHORT-TERM BASIS- USE OF POZEZ EDUCATION CENTER FACILITIES FOR A VARIETY OF COMMUNITY GROUPS AND PROGRAMS- DONATED CASH GIFTS TO VARIOUS COMMUNITY ORGANIZATIONS- PARTICIPATED IN NUMEROUS CLINICAL RESEARCH TRIALS THROUGH THE CLINICAL RESEARCH DEPARTMENT- STORMONT-VAIL WEST BEHAVIORAL HEALTH SERVICES OPERATES A SUBSTANCE ABUSE PROGRAM- OPERATED A PALLIATIVE CARE PROGRAM TO PROVIDE COMFORT CARE TO PATIENTS WITH CHRONIC CONDITIONS- PROVIDE SUPPORT AND EDUCATION FOR PATIENTS WITH DIABETES THROUGH THE DIABETES LEARNING CENTER - STORMONT-VAIL IS A REGIONAL NETWORK OF 32 LOCATIONS IN NORTHEAST KANSAS IMPROVING ACCESS TO MEDICAL CARE IN SEVERAL CITIES THAT OTHERWISE WOULD NOT HAVE ACCESS, PARTICULARLY ON WEEKENDS- MATERNAL FETAL MEDICINE PROGRAM PROVIDED CARE AND ACCESS TO SCREENINGS AND GENETIC COUNSELING FOR WOMEN WITH AT-RISK PREGNANCIES - OPERATED THE HEALTHWISE 55 PROGRAM WHICH PROVIDED OUTREACH PROGRAMS TO INDEPENDENT LIVING FACILITIES IN TOPEKA- OFFERED BLOOD PRESSURE CLINICS AT WEST RIDGE MALL AS WELL AS OUTREACH BLOOD PRESSURE CLINICS AT SIX OTHER LOCATIONS- STORMONT-VAIL PROVIDED THE REGION'S ONLY PERINATOLOGIST PROVIDING CARE FOR HIGH-RISK PREGNANCIES- STORMONT-VAIL MAINTAINED THE LIFELINE PROGRAM, THE PERSONAL RESPONSE SYSTEM- OFFERED ONLINE CHILDBIRTH CLASSES THROUGH STORMONT-VAIL'S WEB SITE- PARTNERED WITH THE MARCH OF DIMES FOR THE NICU FAMILY SUPPORT PROGRAM- STORMONT-VAIL WAS A MEDAL OF HONOR WINNER FOR ORGAN RETRIEVAL AND TISSUE CONVERSION- THE HEALTH CONNECTION PROGRAM, WHICH PROVIDES PHYSICIAN REFERRAL AND AFTER-HOUR ACCESS TO A NURSE, RECEIVED 464,192 CALLS- PROVIDED HEALTH INFORMATION THROUGH THE TOPEKA & SHAWNEE COUNTY PUBLIC LIBRARY'S HEALTH INFORMATION NEIGHBORHOOD- PARTNERED WITH BUILDING BLOCKS TO PROVIDE CHILDCARE SERVICES TO STAFF AND THE COMMUNITY- STORMONT-VAIL CLINICAL EDUCATORS PARTICIPATED IN THE AMERICAN HEALTH ASSOCIATION'S CPR FOR FAMILY AND FRIENDS CLASS TO TEACH OTHERS CPR- THE TRAUMA SERVICES DEPARTMENT PROVIDED COMMUNITY EDUCATION PROGRAMS ON FALL PREVENTION- STORMONT-VAIL WEST BEHAVIORAL HEALTH SERVICES PARTICIPATED IN A DEPRESSION SCREENING FOR THE COMMUNITY- PARTNERED IN THE KANSAS RED RIBBON CAMPAIGN TO PROMOTE A HEALTHY, DRUG-FREE LIFESTYLE FOR YOUTH- A SKIN SCREENING CLINIC FOR THE COMMUNITY WAS HELD AT THE COTTON-O'NEIL CANCER CENTER- SPONSORED TOUR DE DIALYSIS, A 100-MILE BIKE RIDE TO RAISE AWARENESS AND FUNDS FOR PATIENT NEEDS AT THE KANSAS DIALYSIS SERVICES- CONNECT WITH THE COMMUNITY THROUGH THE ORGANIZATION WEBSITE, STORMONT ORG- PARTICIPATED IN THE BI-STATE STROKE EDUCATION CONSORTIUM- PARTNERED WITH HEALTH INNOVATION NETWORK OF KANSAS, A COALITION THAT GREW TO 19 HOSPITALS SHARING INFORMATION, EDUCATION AND OTHER NEEDED SERVICES- THE BOY TO MAN AND GIRL TO WOMAN COMMUNICATION EDUCATION PROGRAMS FACILITATE CONVERSATION BETWEEN ADULTS AND PRE-TEENS ABOUT FUTURE PHYSICAL AND EMOTIONAL CHANGES- STORMONT VAIL AND ITS EMPLOYEES DONATED FUNDS AND STAFF TIME TO THE MEALS ON WHEELS PROGRAM AND THE UNITED WAY- DEVELOPING PATIENT CENTER MEDICAL HOME CONCEPT TO IMPROVE CARE WITH THE FOCUS ON PREVENTION AND WELLNESS- WORK WITH OTHERS IN THE COMMUNITY TO IMPROVE SAFETY NET SERVICES FOR UNDER INSURED AND UNINSURED- COLLABORATED WITH SABETHA COMMUNITY HOSPITAL TO ESTABLISH IROBOT PROJECT TO ALLOW SABETHA PHYSICIANS TO COMMUNICATE WITH STORMONT-VAIL PHYSICIANS ON PATIENT CAREIN ADDITION TO THESE COMMUNITY CONTRIBUTIONS, STORMONT-VAIL PROVIDED SUPERVISED CLINICAL EXPERIENCE FOR 1,027 STUDENTS AND 145,865 HOURS TO THE FOLLOWING ENTITIES NAME/LOCATION TYPE OF STUDENTS DEPT/DIVISIONBAKER UNIVERSITY NURSING MULTIPLEBALL STATE UNIVERSITY NURSING MULTIPLEBARTON CO COMMUNITY COLLEGE PARAMEDIC MULTIPLEBENEDICTINE COLLEGE NURSING MULTIPLECOFFEY COUNTY HOSPITAL NURSING MULTIPLECOLBY COMMUNITY COLLEGE PT REHAB SERVICESCOMMUNITY HEALTH SYSTEM-ONAGA NURSING MULTIPLECREIGHTON UNIVERSITY PHARMACY PHARMACY EMPORIA STATE UNIVERSITY NURSING MEDICAL ARTS CLINIC-EMPORIAFORT HAYS MRI IMAGING SERVICESFORT HAYS NURSING NURSING MULTIPLEFRONTIER SCHOOL OF MIDWIFERY NURSING THE BIRTHPLACEHIAWATHA COMMUNITY HOSPITAL NURSING PATIENT CARE SERVICESHIGHLAND COMMUNITY COLLEGE NURSING MULTIPLEKANSAS STATE UNIVERSITY DIETICIANS NUTRITIONAL SERVICESKANSAS STATE UNIVERSITY HUMAN ECOLOGY PATIENT CARE SERVICESUNIVERSITY OF KANSAS NURSING PATIENT CARE SERVICESUNIVERSITY OF KANSAS PHARMACY PHARMACYUNIVERSITY OF KANSAS SOCIAL WORK BEHAVIORAL HEALTHUNIVERSITY OF MINNESOTA ADMIN INTERN ADMINISTRATION UNIVERSITY OF MISSOURI-KC NURSING COTTON-O'NEIL CLINICSNEBRASKA MEDICAL CENTER/WU MEDICAL TECHNOLOGIST LABORATORYNEMAHA VALLEY COMM HOSPITAL NURSING PATIENT CARE SERVICESNEOSHO COMMUNITY COLLEGE NURSING PATIENT CARE SERVICESNEWMAN REGIONAL HEALTH NURSING ALL AREASTEXAS WESLEYAN UNIVERSITY CRNA SURGERYUSD #501 HIGH SCHOOL MULTIPLEWALDEN UNIVERSITY NURSING PATIENT CARE SERVICESWASHBURN UNIVERSITY CRIMINAL JUSTICE SECURITYWASHBURN UNIVERSITY KINESIOLOGY HEART CENTERWASHBURN UNIVERSITY HEALTH INFORMATION HEALTH INFORMATION MGMT WASHBURN UNIVERSITY NURSING MULTIPLEWASHBURN UNIVERSITY OT REHABILITATION SERVICESWASHBURN UNIVERSITY PT ASSISTANTS REHABILITATION SERVICESWASHBURN UNIVERSITY IMAGING SCIENCES MEDICAL IMAGINGWASHBURN UNIVERSITY RADIATION THERAPY CANCER CENTERWASHBURN UNIVERSITY RESP THERAPY PULMONARY CAREWASHBURN UNIVERSITY SOCIAL WORK SV BEHAVIORAL HEALTHWASHBURN UNIVERSITY ULTRASOUND-CARDIO RADIOLOGY/ULTRASOUNDWASHBURN UNIVERSITY ULTRASOUND-GEN RADIOLOGY ULTRASOUNDWASHBURN INSTITUTE OF TECH LPNS MULTIPLEWASHBURN INSTITUTE OF TECH SURG TECHS SURGICAL SERVICES/TSDSWASHBURN INSTITUTE OF TECH EMT PATIENT CARE SERVICESWICHITA STATE UNIVERSITY NURSING MULTIPLEWICHITA STATE UNIVERSITY PA MULTIPLEWICHITA STATE UNIVERSITY PT ASSISTANTS REHAB SERVICES

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 ▶** 453,261,659

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	264		
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	4,970		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a** 15		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent	**1b** 13		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**		No
6	Did the organization have members or stockholders?	**6**		No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**		No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	**8a**	Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**		No

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

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

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization

▶KEVIN HAN 1500 SW 10TH STREET TOPEKA, KS (785) 354-6000

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

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

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

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								15,779,683	0	2,226,382

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 ▶ 352

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
ANESTHESIA ASSOCIATES 823 MULVANE SUITE 2A TOPEKA KS 66606	ANESTHESIA PHYSICIAN SERVICES	1,939,366
PROBASCO & ASSOCIATES PA 615 S TOPEKA BLVD TOPEKA KS 66603	COLLECTION AGENCY	1,490,273
PERINATAL CONSULTANTS 900 SW ROBINSON TOPEKA KS 66614	PHYSICIAN SERVICES	746,000
TOPEKA PATHOLOGY GROUP 1000 W 10TH ST TOPEKA KS 66604	PATHOLOGY SERVICES	543,757
TOPEKA EARS NOSE & THROAT PA 920 SW LANE ST STE 200 TOPEKA KS 66606	PHYSICIAN SERVICES	275,800

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 ▶ 12

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	278,162			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	152,235			
	g	Noncash contributions included in lines 1a-1f $		290,109			
	h	**Total.** Add lines 1a-1f			430,397		
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICE REVENUE	621300	510,154,044	510,154,044		
	b	NUTRITIONAL SERVICES	621300	2,179,082	2,179,082		
	c	EDUCATION SERVICES/SCHOOL OF NURS	611600	2,167,412	2,167,412		
	d	PHARMACY	621300	438,469	438,469		
	e	LIFELINE	621300	433,790	433,790		
	f	All other program service revenue		511,055	511,055		
	g	**Total.** Add lines 2a–2f		515,883,852			
	3	Investment income (including dividends, interest, and other similar amounts)		791,176			791,176
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross rents	466,788				
	b	Less rental expenses	0				
	c	Rental income or (loss)	466,788				
	d	Net rental income or (loss)			466,788		466,788
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	115,779,487	194,248			
	b	Less cost or other basis and sales expenses	116,020,478	412,827			
	c	Gain or (loss)	-240,991	-218,579			
	d	Net gain or (loss)			-459,570		-459,570
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events					
	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		517,112,643	515,883,852	0	798,394

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	9,357,010	4,972,455	4,384,555	
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	247,916,503	232,090,031	15,826,472	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	7,379,509	7,144,148	235,361	
9 Other employee benefits	33,234,895	29,596,635	3,638,260	
10 Payroll taxes	16,097,119	14,333,891	1,763,228	
11 Fees for services (non-employees)				
a Management				
b Legal	2,938,966	939	2,938,027	
c Accounting	162,325		162,325	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees	187,927		187,927	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	17,315,402	15,759,756	1,555,646	
12 Advertising and promotion	827,684	3,101	824,583	
13 Office expenses	3,073,819	2,007,366	1,066,453	
14 Information technology	8,760,428	7,452,400	1,308,028	
15 Royalties . .				
16 Occupancy	7,782,053	7,629,698	152,355	
17 Travel	251,373	242,817	8,556	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	6,849,254	6,849,254		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	19,720,192	19,720,192		
23 Insurance	5,105,101	2,357,792	2,747,309	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a SUPPLIES	85,621,308	84,771,030	850,278	
b REPAIR & MAINTENANCE	7,622,976	7,276,806	346,170	
c NUTRITION & FOOD SERVIC	2,160,775	821,095	1,339,680	
d CONTRIBUTION TO S-V FOU	420,000	420,000		
e All other expenses	13,538,348	9,812,253	3,726,095	
25 **Total functional expenses.** Add lines 1 through 24e	496,322,967	453,261,659	43,061,308	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		6,029,203	1	90,388,835
	2	Savings and temporary cash investments		92,574,769	2	8,269,095
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		75,923,316	4	75,615,981
	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		5,802,499	8	5,114,532
	9	Prepaid expenses and deferred charges		4,343,928	9	5,676,443
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 421,127,116			
	b	Less accumulated depreciation	10b 224,226,668	193,296,075	10c	196,900,448
	11	Investments—publicly traded securities		118,429,539	11	125,231,593
	12	Investments—other securities See Part IV, line 11		55,369,328	12	53,021,631
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		2,431,430	15	5,013,982
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		554,200,087	16	565,232,540
Liabilities	17	Accounts payable and accrued expenses		62,243,012	17	62,074,619
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		144,490,000	20	141,430,000
	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		4,554,153	23	3,894,894
	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		128,818,479	25	75,323,921
	26	**Total liabilities.** Add lines 17 through 25		340,105,644	26	282,723,434
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		213,263,622	27	281,653,583
	28	Temporarily restricted net assets		697,962	28	722,664
	29	Permanently restricted net assets		132,859	29	132,859
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		214,094,443	33	282,509,106
	34	Total liabilities and net assets/fund balances		554,200,087	34	565,232,540

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	517,112,643
2	Total expenses (must equal Part IX, column (A), line 25)	2	496,322,967
3	Revenue less expenses Subtract line 2 from line 1	3	20,789,676
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	214,094,443
5	Net unrealized gains (losses) on investments	5	7,845,886
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	39,779,101
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	282,509,106

Part XII Financial Statements and Reporting

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

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
	If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

Additional Data

Software ID:
Software Version:
EIN: 48-0543789
Name: STORMONT-VAIL HEALTHCARE INC

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
STEVEN WATKINS MD DIRECTOR	60 00	X						859,432	0	70,445
S KENNETH ALEXANDERIII DIRECTOR	0 00	X						0	0	0
PAMELA JOHNSON-BETTS DIRECTOR	0 00	X						0	0	0
C RICHARD BONEBRAKEMD DIRECTOR	0 00	X						0	0	0
GARY B FLEENOR DIRECTOR	0 00	X						0	0	0
JOHN B DICUS DIRECTOR	0 00	X						0	0	0
RANDALL L PETERSON CHIEF EXECUTIVE OFFICER	50 00	X		X				398,165	0	163,647
JAMES HAINES CHAIRPERSON	0 00	X		X				0	0	0
PATRICIA PRESSMAN PHD DIRECTOR	0 00	X						0	0	0
SUEANN V SCHULTZ DIRECTOR	0 00	X						0	0	0
NANCY J PERRY SECRETARY	0 00	X		X				0	0	0
JAMES SCHMANK DIRECTOR	0 00	X						0	0	0
ANDREW J JETTER DIRECTOR	0 00	X						0	0	0
JAMES PARRISH DIRECTOR	0 00	X						0	0	0
RICHARD WIENCKOWSKI DIRECTOR	0 00	X						0	0	0
ROBERT O'NEIL MD OPERATING COMMITTEE	10 00			X				147,716	0	1,432
ERIC VOTH MD OPERATING COMMITTEE	60 00			X				353,899	0	77,949
DOUGLAS ROSE MD OPERATING COMMITTEE	50 00			X				428,991	0	167,652
KEVIN DISHMAN MD OPERATING COMMITTEE	60 00			X				902,390	0	22,824
LAMBERT WU MD OPERATING COMMITTEE	60 00			X				674,002	0	20,178
DAVID CUNNINGHAM VICE-PRESIDENT	50 00			X				275,387	0	74,092
CAROL WHEELER VICE-PRESIDENT	50 00			X				438,838	0	209,588
BERNIE BECKER VICE-PRESIDENT	50 00			X				368,200	0	165,691
KENT PALMBERG MD EXECUTIVE VICE-PRESIDENT	50 00			X				790,037	0	416,232
DEBRA YOCUM VICE-PRESIDENT	50 00			X				356,474	0	91,648

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
JANET STANEK VICE-PRESIDENT	50 00			X				509,547	0	129,432
CAROL PERRY VICE-PRESIDENT	50 00			X				386,938	0	149,236
KEVIN HAN CHIEF FINANCIAL OFFICER	50 00			X				397,805	0	202,879
MICHAEL KONGS KEY EMPLOYEE	50 00				X			163,769	0	28,505
MATTHEW WILLS MD PHYSICIAN	60 00					X		2,266,512	0	34,528
TEWODRO ADDISSE MD PHYSICIAN	60 00					X		1,012,162	0	32,911
DAVID LUTES MD PHYSICIAN	60 00					X		918,203	0	51,321
CHU CHI CHENMD PHYSICIAN	60 00					X		1,415,228	0	42,462
PETER TUTUSKA MD PHYSICIAN	60 00					X		955,500	0	68,103
MAYNARD OLIVERIUS FORMER CHIEF EXEC OFFICER	50 00						X	1,760,488	0	5,627

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
STORMONT-VAIL HEALTHCARE INC

Employer identification number
48-0543789

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

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

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☑ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Non-functionally integrated

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	**11g(i)**		
(ii) A family member of a person described in (i) above?	**11g(ii)**		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	**11g(iii)**		

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

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

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

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

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

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6)						

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

19a **33 1/3% support tests—2012.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶☐

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

Facts And Circumstances Test

Explanation

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2012

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	**Employer identification number**
STORMONT-VAIL HEALTHCARE INC	48-0543789

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ **Yes** ☐ **No**

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		
j	Total Add lines 1c through 1i			0
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
EXPLANATION OF LOBBYING ACTIVITIES	PART II-B, LINE 1	THE HOSPITAL IS A MEMBER OF THE AMERICAN HOSPITAL ASSOCIATION AND THE KANSAS HOSPITAL ASSOCIATION THESE ORGANIZATIONS HAVE INFORMED THE TAXPAYER THAT A PORTION OF THEIR DUES ARE ATTRIBUTED TO LOBBYING AND ADVOCACY ACTIVITIES THAT PERCENTAGE FOR 2012 IS 14 9% OCCASIONALLY, THE CEO WILL SPEAK TO LEGISLATORS REGARDING BILLS THAT WOULD AFFECT THE ORGANIZATION OR HEALTHCARE INDUSTRY

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
STORMONT-VAIL HEALTHCARE INC

Employer identification number
48-0543789

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

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

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

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

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

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

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

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

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

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

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

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

- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

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

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

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

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

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

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

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

		(a) Current year	(b) Prior year	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	254,042	244,424	239,410	239,400	235,668
b	Contributions					
c	Net investment earnings, gains, and losses	-5,029	9,618	5,014	10	3,732
d	Grants or scholarships					
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance	249,013	254,042	244,424	239,410	239,400

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

- a Board designated or quasi-endowment ▶ 0 %
- b Permanent endowment ▶ 53 350 %
- c Temporarily restricted endowment ▶ 46 650 %

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

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

		Yes	No
(i) unrelated organizations	3a(i)		No
(ii) related organizations	3a(ii)		No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

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

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		15,431,914		15,431,914
b Buildings		247,740,764	110,089,164	137,651,600
c Leasehold improvements				
d Equipment		157,954,438	114,137,504	43,816,934
e Other				
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				196,900,448

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests	18,779,144	F
(3) Other (A) MORGAN CREEK FUND, LTD CLASS A 39,673 SHARES HELD	34,242,487	F
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	53,021,631	

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

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13)* ▶		

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

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

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

1 (a) Description of liability	(b) Book value
Federal income taxes	
RESERVE FOR THIRD-PARTY PAYORS	2,527,462
ACCRUED PENSION PAYABLE	72,770,104
DUE TO RELATED PARTIES	26,355
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	75,323,921

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

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

1	Total revenue, gains, and other support per audited financial statements			1	564,701,409
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	7,845,886		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	39,930,807		
e	Add lines **2a** through **2d**			2e	47,776,693
3	Subtract line **2e** from line **1**			3	516,924,716
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	187,927		
b	Other (Describe in Part XIII)	4b			
c	Add lines **4a** and **4b**			4c	187,927
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	517,112,643

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

1	Total expenses and losses per audited financial statements			1	496,286,746
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	151,706		
e	Add lines **2a** through **2d**			2e	151,706
3	Subtract line **2e** from line **1**			3	496,135,040
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	187,927		
b	Other (Describe in Part XIII)	4b			
c	Add lines **4a** and **4b**			4c	187,927
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	496,322,967

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 INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	ENDOWMENT FUNDS ARE USED IN ACCORDANCE WITH THE DIRECTION OF THE APPLICABLE DONOR GIFT INSTRUMENT AT THE TIME THE GIFT IS ADDED TO THE FUND
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X, LINE 2	AS OF SEPTEMBER 30, 2013 AND 2012 THERE WERE NO UNCERTAIN TAX BENEFITS INDENTIFIED AND RECORDED AS A LIABILITY
PART XI, LINE 2D - OTHER ADJUSTMENTS		CONSOLIDATED AFFILIATE NET INCOME 290,181 NET GAINS/(LOSS) OF UNCONSOLIDATED AFFILIATES - 283,177 CHANGE IN ADDITIONAL MINIMUM LIABILITY FOR RETIREMENT BENEFITS 39,923,803
PART XII, LINE 2D - OTHER ADJUSTMENTS		BOOK AMORTIZATION GREATER THAN TAX 151,706

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
STORMONT-VAIL HEALTHCARE INC

Employer identification number
48-0543789

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☐ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care ☐ 100% ☑ 150% ☐ 200% ☐ Other _____ %	3a	Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☑ 400% ☐ Other _____ %	3b	Yes	
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
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)			8,171,760		8,171,760	1 650 %
b Medicaid (from Worksheet 3, column a)			57,649,354	39,163,258	18,486,096	3 720 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			65,821,114	39,163,258	26,657,856	5 370 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			686,197	221,004	465,193	0 090 %
f Health professions education (from Worksheet 5)			3,474,312	2,039,163	1,435,149	0 290 %
g Subsidized health services (from Worksheet 6)			2,121,995	1,350,944	771,051	0 160 %
h Research (from Worksheet 7)			3,784,282	2,675,415	1,108,867	0 220 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			22,450		22,450	0 %
j **Total.** Other Benefits			10,089,236	6,286,526	3,802,710	0 760 %
k **Total.** Add lines 7d and 7j			75,910,350	45,449,784	30,460,566	6 130 %

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

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

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

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1		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 11,715,093			
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 0			
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	180,904,173
6	Enter Medicare allowable costs of care relating to payments on line 5	6	228,615,383
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-47,711,210
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☑ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

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

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
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	STORMONT-VAIL HEALTHCARE 1500 SW 10TH STREET TOPEKA,KS 66604	X	X					X			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group STORMONT-VAIL HEALTHCARE

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

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☑ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
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**	Yes	
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website			
b	☑ Available upon request from the hospital facility			
c	☑ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☑ Participation in the execution of a community-wide plan			
e	☑ Inclusion of a community benefit section in operational plans			
f	☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☐ Prioritization of health needs in its community			
h	☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☑ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**		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 *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 150 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☐ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☐ The policy was available upon request			
g ☑ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**19**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

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

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☑ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☐ Other (describe in Part VI)			
21 During the tax year, did the hospital facility charge any FAP-eligible individuals to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual?	**22**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

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

How many non-hospital health care facilities did the organization operate during the tax year?
32

	Name and address	Type of Facility (describe)
1	See Additional Data Table	
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 III, LINE 4 THE FILING ORGANIZATION REPORTS BAD DEBT IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION STATEMENT 15 IS FOLLOWED TO THE EXTENT THAT IT ALIGNS WITH THE GUIDELINES SET FORTH BY GAAP PATIENT RECEIVABLES DUE DIRECTLY FROM THE PATIENTS ARE CARRIED AT THE ORIGINAL CHARGE FOR THE SERVICE PROVIDED LESS AMOUNTS COVERED BY THIRD-PARTY PAYORS AND LESS AN ESTIMATED ALLOWANCE FOR DOUBTFUL RECEIVABLES BASED ON A REVIEW OF ALL OUTSTANDING AMOUNTS ON A MONTHLY BASIS MANAGEMENT DETERMINES THE ALLOWANCE FOR DOUBTFUL ACCOUNTS BY IDENTIFYING TROUBLED ACCOUNTS, BY HISTORICAL EXPERIENCE APPLIED ON AN AGING OF ACCOUNTS AND BY CONSIDERING THE PATIENT'S FINANCIAL HISTORY, CREDIT HISTORY AND CURRENT ECONOMIC CONDITIONS STORMONT-VAIL ONLY CHARGES INTEREST ON MEDICAL SERVICE DIVISON PATIENT RECEIVABLES PATIENT RECEIVABLES ARE WRITTEN OFF TO BAD DEBT WHEN DEEMED UNCOLLECTIBLE RECOVERIES OF RECEIVABLES PREVIOUSLY WRITTEN OFF ARE RECORDED AS A REDUCTION OF BAD DEBT EXPENSE WHEN RECEIVED COSTING METHODOLOGY THE BAD DEBT EXPENSE WAS CALCULATED BY USING THE ACTUAL BAD DEBT WRITE-OFFS FROM THE HOSPITAL AND THE COST TO CHARGE RATIO FROM THE COST ACCOUNTING SYSTEM FOR OTHER PAYORS MULTIPLIED BY THE BAD DEBT WRITE-OFFS THE CLINIC BAD DEBTS WERE ESTIMATED AND A COST TO CHARGE RATIO WAS APPLIED TO DETERMINE COST
		PART III, LINE 8 BOTH THE COST ACCOUNTING AND COST TO CHARGE RATIO METHOD ARE USED

Identifier	ReturnReference	Explanation
STORMONT-VAIL HEALTHCARE		PART V, SECTION B, LINE 1J THE SHAWNEE COUNTY HEALTH NEEDS ASSESSMENT IDENTIFIED 14 HEALTH ISSUES THE HEALTHCARE COMMUNITY SHOULD ADDRESS THE FINAL REPORT HAS A DETAILED ANALYSIS OF EACH ISSUE THAT INCLUDES -DATA SOURCES-SHAWNEE COUNTY'S CURRENT PERFORMANCE-DISCUSSION OF THE ISSUE AND BARRIERS TO OVERCOME-HEALTHY PEOPLE 2020 NATION TARGETS
STORMONT-VAIL HEALTHCARE		PART V, SECTION B, LINE 3 PURPOSE AND SCOPE OF THE CHNA- TO IDENTIFY AND PRIORITIZE TOP HEALTH NEEDS IN SHAWNEE COUNTY - COLLABORATE WITH LOCAL HEALTH CARE EXPERTS AND COMMUNITY STAKEHOLDERS TO COLLECT AND ANALYZE DATA TO IDENTIFY THE TOP COMMUNITY HEALTH ISSUES IN SHAWNEE COUNTY INPUT AND DATA SOURCES FOR THE CHNAQUANTITATIVE PUBLIC HEALTH DATA FOR SHAWNEE COUNTY ARE AVAILABLE THROUGH THE KANSAS HEALTH MATTERS WEBSITE A COMMUNITY SURVEY, WIDELY DISSEMINATED VIA EMAIL, PROVIDED ADDITIONAL QUANTITATIVE DATA QUALITATIVE DATA WERE OBTAINED FROM THREE FOCUS GROUPS AND A SURVEY OF LOCAL PUBLIC HEALTH EXPERTS QUANTITATIVE DATA SOURCES- KANSAS HEALTH MATTERS IS A ONE STOP SOURCE OF NON-BIASED DATA AND INFORMATION ABOUT COMMUNITY HEALTH IN KANSAS IT IS INTENDED TO HELP HOSPITALS, HEALTH DEPARTMENTS, POLICY MAKERS AND COMMUNITY PLANNERS LEARN ABOUT ISSUES, IDENTIFY IMPROVEMENTS AND COLLABORATE FOR POSITIVE CHANGE THIS VALUABLE RESOURCE WAS DEVELOPED BY THE KANSAS PARTNERSHIP FOR IMPROVING COMMUNITY HEALTH USING KANSAS HEALTH MATTERS, THE TASK FORCE WAS ABLE TO COMPARE SHAWNEE COUNTY TO THE STATEWIDE AVERAGE ON 103 HEALTH INDICATORS ALSO AVAILABLE ON THIS WEBSITE IS A 'COMMUNITY HEALTH NEEDS ASSESSMENT TOOLBOX' AND HYPERLINKS TO PROMISING PRACTICES REGARDING COMMUNITY HEALTH - THE HEALTHY SHAWNEE COUNTY COMMUNITY PERCEPTION SURVEY WAS AVAILABLE ON-LINE FROM JULY 16 THROUGH AUGUST 31, 2012 THIS SURVEY TOOK 48 HEALTH INDICATORS FROM THE KANSAS HEALTH MATTERS WEBSITE AND ASKED PARTICIPANTS TO IDENTIFY THE LEVEL OF ATTENTION NEEDED FOR THOSE INDICATORS ON A 1-5 LIKERT SCALE (1 = MUCH LESS ATTENTION, 5 = MUCH MORE ATTENTION 548 COMMUNITY AND 229 ORGANIZATION MEMBERS COMPLETED THE SURVEY THE SURVEY RESULTS WERE ANALYZED BY BIOSTATISTICS AND EVALUATION SERVICES AND TRAINING (BEST) CENTER, UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER, SCHOOL OF PUBLIC HEALTH QUALITATIVE DATA SOURCES- INSIGHT INTO SHAWNEE COUNTY'S HEALTH-RELATED NEEDS WAS ALSO PROVIDED BY THREE FOCUS GROUPS EACH GROUP HAD A DIFFERENT SET OF PARTICIPANTS, HEALTH CARE PROFESSIONALS, SOCIAL SERVICE PROFESSIONALS AND NEIGHBORHOOD LEADERS THESE FOCUS GROUPS WERE FACILITATED BY VIRDEN AND ASSOCIATES OF KANSAS CITY AND CONDUCTED AUGUST 15 AND 16, 2012 AT THE TOPEKA-SHAWNEE COUNTY PUBLIC LIBRARY FOCUS GROUP PARTICIPANTSHEALTHCARE PROFESSIONALS, AUGUST 15, 2012 AT 6 30 P M , REPRESENTATIVES FROM SELECT SPECIALTY HOSPITALWASHBURN RURAL SCHOOL NURSECOTTON-O'NEIL EXPRESSCAREHEALTH CONNECTIONS (ASK-A-NURSE)KANSAS REHAB HOSPITALSTORMONT-VAIL BEHAVIORAL SERVICESALDERSGATE VILLAGEMARIAN CLINIC, MEDICAL DIRECTORSTORMONT-VAIL EMERGENCY DEPARTMENTMARIAN CLINIC, PATIENT CARE DIRECTORST FRANCIS EMERGENCY DEPARTMENTSHAWNEE COUNTY HEALTH AGENCY, MEDICAL DIRECTORBAKER SCHOOL OF NURSINGWASHBURN UNIVERSITY, DIRECTOR STUDENT HEALTHWASHBURN SCHOOL OF NURSING, COMMUNITY HEALTH NURSESOCIAL SERVICE AGENCIES, AUGUST 16, 2012 AT NOON, REPRESENTATIVE FROM UNITED WAY OF GREATER TOPEKAHEALTH ACCESSAMERICAN RED CROSSHOUSING AND CREDIT COUNSELINGCATHOLIC CHARITIESBREAKTHROUGH HOUSEFAMILY SERVICE AND GUIDANCELET'S HELPTOPEKA COMMUNITY FOUNDATIONSHAWNEE COUNTY DEPARTMENT OF CORRECTIONSDOORSTEPMIDLAND CAREMEALS ON WHEELSBREWSTER PLACEVALEO BEHAVIORAL HEALTHSTORMONT-VAIL CASE MANAGERTOPEKA ASSOCIATION FOR RETARDED CITIZENSTOPEKA NEIGHBORHOOD ASSOCIATIONS/COMMUNITY VOLUNTEERS, AUGUST 16, 2012 6 30 P M , REPRESENTATIVES FROM COLLEGE HILL NEIGHBORHOODQUINTON HEIGHTS NEIGHBORHOODGREATER AUBURNDALE NEIGHBORHOODROLLING MEADOWS NEIGHBORHOODSOUTHERN HILLS NEIGHBORHOODOAKLAND NEIGHBORHOODELMHURST NEIGHBORHOODSTORMONT-VAIL COMMUNITY ADVISORY COUNCILCOMMUNITY VOLUNTEERS - 3-EIGHT COMMUNITY STAKEHOLDERS WITH PUBLIC HEALTH EXPERTISE WERE SENT AN E-MAIL SURVEY THE QUESTIONS WERE OPENED ENDED IN ORDER TO COLLECT A BROADER BASE OF ANALYSIS - BASED UPON THE INSIGHT OF THE PARTICIPANTS THE EXPERTS WERE DRAWN FROM A POOL OF COMMUNITY EXPERTISE THAT DEFINES PUBLIC HEALTH BROADLY RESPONDING TO THE SURVEY WERE -DAVID BECK, BREWSTER PLACE RETIREMENT COMMUNITY-DONA BOOE, KANSAS CHILDREN'S SERVICE LEAGUE-DEBBIE GUILBAULT, POSITIVE CONNECTIONS, INC -CATHY HARDING, KANSAS ASSOCIATION FOR THE MEDICALLY UNDERSERVED-JOHN HOMLISH, COMMUNITY ACTION-MIRIAM KREHBIEL, UNITED WAY OF GREATER TOPEKA-LEE LEINWETTER, D O , SHAWNEE COUNTY HEALTH AGENCY-MAX WILSON, RETIRED NON-PROFIT EXECUTIVE DIRECTORADDITIONAL INPUT WAS ALSO PROVIDED BY THE ASSESSMENT ADVISORY COMMITTEE THE MEMBERS ARE LISTED IN THE NEXT SECTION

Identifier	ReturnReference	Explanation
STORMONT-VAIL HEALTHCARE		PART V, SECTION B, LINE 4 THE LEAD ENTITY IN THIS COMMUNITY HEALTH NEEDS ASSESSMENT WAS THE HEALTHY SHAWNEE COUNTY TASK FORCE, COMPRISED OF STORMONT-VAIL HEALTHCARE, ST FRANCIS HEALTH CENTER AND THE SHAWNEE COUNTY HEALTH AGENCY THE TASK FORCE HAD AN ASSESSMENT ADVISORY COMMITTEE TO PROVIDE DIRECTION AND FEEDBACK DURING THIS PROCESS -HEALTHY SHAWNEE COUNTY TASK FORCE - SHAWNEE COUNTY HEALTH AGENCY ALLISON ALEJOS, DIRECTOR BOB HEDBERG, GRANTS & SPECIAL PROJECTS OFFICER -ST FRANCIS HEALTH CENTER MARY HOMAN, DIRECTOR, MISSION & ETHICS PAULA ELLIS, DIRECTOR COMMUNITY BENEFIT, ACO AND PATIENT CENTERED MEDICAL HOME DEVELOPMENT -STORMONT-VAIL HEALTHCARE THOMAS LUELLEN, DIRECTOR OF PLANNING & DECISION SUPPORT-HEALTHY SHAWNEE COUNTY ASSESSMENT ADVISORY COMMITTEE PAMELA BETTS, 501 FOUNDATION KARILY TAYLOR, MARIAN CLINIC DONA BOOE, KANSAS CHILDREN'S SERVICE LEAGUE GARRY CUSHINBERRY, COREFIRST BANK JOHN HOMLISH, COMMUNITY ACTION NANCY JOHNSON, COMMUNITY RESOURCES COUNCIL MAX WILSON, COMMUNITY VOLUNTEER JOCELYN LYONS, JAYHAWK AREA ON AGING MIRIAM KREHBIEL, UNITED WAY OF GREATER TOPEKA REV T D HICKS, ANTIOCH BAPTIST CHURCH
STORMONT-VAIL HEALTHCARE		PART V, SECTION B, LINE 5C CHNA AVAILABLE AT THESE WEBSITES HTTPS //WWW STORMONTVAIL ORG HTTP //WWW STFRANCIS ORG HTTP //SHAWNEEHEALTH ORG/DOCUMENTCENTER/VIEW/160WITH THE COMPLETION OF THE DATA COLLECTION/ANALYSIS AND SELECTION OF PRIORITIES, THE NEXT STEP IN THE PROCESS WAS DOCUMENTING AND COMMUNICATING THE RESULTS IN ADDITION TO MAKING THE CHNA AVAILABLE ON EACH ORGANIZATION'S WEBSITE, THE FINAL REPORT WAS ALSO COMMUNICATED VIA -DISTRIBUTE REPORT TO ASSESSMENT ADVISORY COUNCIL MEMBERS-DISTRIBUTE REPORT TO FOCUS GROUP PARTICIPANTS- PRESENTATIONS TO HOSPITAL LEADERSHIP AND BOARDS (LISTED BELOW)-PRESENT TO HEARTLAND HEALTHY NEIGHBORHOOD ADVISORY COUNCIL-MARCH COUNTY COMMISSION MEETING PRESENTATION STORMONT-VAIL PRESENTATIONS OF THE SHAWNEE COUNTY COMMUNITY HEALTH NEEDS ASSESSMENTDATE GROUP NUMBER OF ATTENDEES12/18/12 STORMONT-VAIL OPERATING COMMITTEE 141/17/13 STORMONT-VAIL AUXILIARY 451/31/13 SAFETY NET CLINIC SUMMIT 252/19/13 STORMONT-VAIL COMMUNITY ADVISORY COUNCIL 223/5/13 SHAWNEE COUNTY HEALTH CLINIC BOARD OF DIRECTORS 253/21/13 SHAWNEE COUNTY COMMISSIONERS 253/21/13 STORMONT-VAIL ALL MANAGEMENT COUNCIL 1254/5/13 LEADERSHIP GREATER TOPEKA, CLASS OF 2013 654/8/13 HEARTLAND HEALTHY NEIGHBORHOOD 214/25/13 KANSAS HEALTH INSTITUTE CHNA WORKSHOP 287/24/13 TOPEKA BUSINESS LEADERS - FAT WEDNESDAY 159/9/13 HEARTLAND HEALTHY NEIGHBORHOOD 28

Identifier	ReturnReference	Explanation
STORMONT-VAIL HEALTHCARE		PART V, SECTION B, LINE 6I FOR THE IMPLEMENTATION PHASE OF THE CHNA, STORMONT-VAIL, ST, FRANCIS AND THE SHAWNEE COUNTY HEALTH AGENCY SOLICITED THE ASSISTANCE OF HEARTLAND HEALTHY NEIGHBORHOODS (HHN) HHN IS A GRASS ROOTS ORGANIZATION REPRESENTING OVER 40 LOCAL COMMUNITY AND SOCIAL SERVICE ORGANIZATIONS THAT DIRECTLY OR INDIRECTLY ADDRESS HEALTH CARE PROBLEMS IN THE COMMUNITY TO ADDRESS THE 14 ISSUES IDENTIFIED IN THE CHNA, THE HHN GROUP FURTHER CATEGORIZED THEM INTO THREE MAJOR HEALTH PRIORITIES IMPROVED ACCESS TO CARE, TO TRANSPORTATION AND TO HEALTH KNOWLEDGEHEALTHY EATING, ACTIVE LIVINGHEALTHY BABIESSTORMONT-VAIL COMMUNITY HEALTH IMPROVEMENT EFFORTS ARE BUILT UPON THESE THREE PRIORITY AREAS STORMONT-VAIL'S IMPLEMENTATION STRATEGY TO ADDRESS EACH OF THE COMMUNITY HEALTH NEEDS IDENTIFIED THROUGH THE CHNA WAS INCORPORATED INTO THE FY14 STRATEGIC PLAN
STORMONT-VAIL HEALTHCARE		PART V, SECTION B, LINE 7 THE SHAWNEE COUNTY CHNA IDENTIFIED 14 COMMUNITY HEALTH PRIORITIES THE TOP COMMUNITY HEALTH ISSUES IDENTIFIED WERE - ADULTS WHO ARE OVERWEIGHT OR OBESE-ADULTS NOT CONSUING FRUITS AND VEGETABLES FIVE OR MORE TIMES PER DAY-ADULTS PARTICIPATING IN RECOMMENDED LEVEL OF PHYSICAL ACTIVITY-ADULT CIGARETTE SMOKING-ADULTS WHO REPORTED THEIR MENTAL HEALTH WAS NOT GOOD ON 14 OR MORE DAY DURING THE PAST 30 DAYS-BIRTHS OCCURING TO TEENS AGES 15-19 YEARS OLD-ADULTS WITH DIAGNOSED DIABETES-ADULTS WITH AND AT-RISK FOR HEART DISEASE AND STROKE-INFANT MORTALITY-INFANTS FULLY IMMUNIZED AT 24-MONTHS-CHILDREN WITHOUT ADEQUATE ORAL HEALTHCARE-ACCESS TO HEALTH SERVICES-KNOWLEDGE OF AVAILABLE HEALTH/SOCIAL SERVICES-TRANSPORTATION CONNECTING PERSONS TO SERVICES AND RECREATIONFOR IMPLEMENTATION PURPOSES THESE 14 ISSUES WERE FURTHER CATEGORIZED INTO THREE MAJOR HEALTH PRIORITIES IMPROVED ACCESS TO CARE, TO TRANSPORTATION AND TO HEALTH KNOWLEDGE -ACCESS FOR MEDICALLY UNDERSERVED POPULATIONS - TRANSPORTATION TO/KNOWLEDGE OF AVAILABLE SERVICES -POOR MENTAL HEALTH -DIABETES, HEART DISEASE/STROKEHEALTHY EATING, ACTIVE LIVING - OVERWEIGHT/OBESE -EAT FRUIT/VEGETABLES 5 TIMES DAILY -PARTICIPATE IN RECOMMENDED LEVEL OF PHYSICAL ACTIVITYHEALTHY BABIES -INFANT MORTALITY -TEEN BIRTHS -IMMUNIZED INFANTS - CIGARETTE SMOKING BY PREGNANT WOMENSTORMONT-VAIL COMMUNITY HEALTH IMPROVEMENT EFFORTS IS BUILT UPON THESE THREE PRIORITY AREAS EACH OF THE HEALTH NEEDS IDENTIFIED IN THE SHAWNEE COUNTY CHNA IS IMPORTANT AND NUMEROUS PARTNERS THROUGHOUT THE COMMUNITY ARE ADDRESSING THESE NEEDS THROUGH INNOVATIVE PROGRAMS AND INITIATIVES THE STORMONT-VAIL COMMUNITY HEALTH IMPROVEMENT PLAN WILL ONLY ADDRESS THE PRIORITY AREAS LISTED ABOVE IN ORDER TO ALLOCATE APPROPRIATE TIME AND RESOURCES TO SUCCESSFUL TACTICS AND ACTIONS AREAS IDENTIFIED, BUT NOT SPECIFICALLY ADDRESSED INCLUDE - ADULT CIGARETTE SMOKING (OTHER THAN PREGNANT WOMEN)- CHILDREN WITHOUT ADEQUATE ORAL HEALTHWHILE THE CHIP WILL NOT FOCUS DIRECTLY ON THESE ISSUES, ALL 3 WILL BE INDIRECTLY ADDRESSED BY THE EFFORTS TO INCREASE ACCESS TO CARE AND HEALTH KNOWLEDGE

Identifier	ReturnReference	Explanation
STORMONT-VAIL HEALTHCARE		PART V, SECTION B, LINE 14G FOR PATIENTS EXPRESSING THE INABILITY TO PAY, THEY ARE PROVIDED WITH CUSTOMER SERVICE PHONE NUMBERS ON THE WEBSITE, PATIENT STATEMENTS, PATIENT HANDBOOKS, AND BROCHURES GIVEN TO ALL INPATIENTS AND OUTPATIENTS

Additional Data

Software ID:
Software Version:
EIN: 48-0543789
Name: STORMONT-VAIL HEALTHCARE INC

Form 990 Schedule H, Part V Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

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?
32

Name and address	Type of Facility (describe)
CANCER CENTER 1414 SW 8TH AVENUE TOPEKA,KS 66606	CANCER CENTER
HEART CENTER 929 MULVANE TOPEKA,KS 66606	CANCER CENTER
FAMILY PRACTICE 901 GARFIELD TOPEKA,KS 66606	CANCER CENTER
COTTON O'NEIL PHYSICIAN CLINICS 823 MULVANE TOPEKA,KS 66606	CANCER CENTER
STORMONT VAIL WEST 3707 SW 6TH STREET TOPEKA,KS 66606	CANCER CENTER
COTTON O'NEIL GI CENTER 720 LANE TOPEKA,KS 66606	CANCER CENTER
ORTHOPEDICS KOSM 909 SW MULVANE TOPEKA,KS 66604	CANCER CENTER
EMPORIA CLINIC 1301 SW 12TH STREET EMPORIA,KS 66801	CANCER CENTER
6TH & FRAZIER 3520 SW 6TH STREET TOPEKA,KS 66606	CANCER CENTER
REHABILTATION SERVICES 4019 SW 10TH AVE TOPEKA,KS 66606	CANCER CENTER
CROCO CLINIC 2909 SE WALNUT DR TOPEKA,KS 66605	CANCER CENTER
PEDIATRICARE 4100 SW 15TH STREET TOPEKA,KS 66604	CANCER CENTER
STORMONT VAIL SLEEP CENTER 920 SW WASHBURN TOPEKA,KS 66606	CANCER CENTER
URISH CLINIC 6725 SW 29TH STREET TOPEKA,KS 66614	CANCER CENTER
DERMATOLOGY CLINIC 6650 MISSION VALLEY DRIVE TOPEKA,KS 66614	CANCER CENTER
WAMEGO CLINIC 1704 COMMERCIAL CIRCLE WAMEGO,KS 66547	CANCER CENTER
CARBONDALE CLINIC 211 EAST MAIN CARBONDALE,KS 66614	CANCER CENTER
OSAGE CITY CLINIC 131 WEST MARKET OSAGE CITY,KS 66523	CANCER CENTER
OSKALOOSA CLINIC 209 W JEFFERSON OSKALOOSA,KS 66066	CANCER CENTER
NORTH TOPEKA CLINIC 1130 N KANSAS AVENUE TOPEKA,KS 66608	CANCER CENTER
LAWRENCE CLINIC 330 ARKANSAS LAWRENCE,KS 66044	CANCER CENTER
ROSSVILLE CLINIC 423 MAIN ROSSVILLE,KS 66533	CANCER CENTER
MERIDEN CLINIC 407 E WYANDOTTE MERIDEN,KS 66512	CANCER CENTER
OCCUPATIONAL MEDICINE 1504 SW 8TH STREET TOPEKA,KS 66606	CANCER CENTER
LEBO CLINIC 118 W 4TH LEBO,KS 66856	CANCER CENTER
ALMA CLINIC 701 MISSOURI ALMA,KS 66401	CANCER CENTER
CARDIAC THORACIC SURGEONS 830 MULVANE TOPEKA,KS 66606	CANCER CENTER
MEDICAL ASSOCIATES OF MANHATTAN 1133 COLLEGE AVE STE E-110 MANHATTAN,KS 66502	CANCER CENTER
MRI OF KANSAS 631 SW MULVANE TOPEKA,KS 66606	CANCER CENTER
LYNDON CLINIC 715 WASHINGTON ST STE B LYNDON,KS 66451	CANCER CENTER

Form 990 Schedule H, Part V Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

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?
32

Name and address	Type of Facility (describe)
EXCELLENT SURGERY CENTER 920 SW LANE TOPEKA,KS 66606	CANCER CENTER
STORMONT VAIL SINGLE DAY SURGERY 823 MULVANE TOPEKA,KS 66606	CANCER CENTER

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
STORMONT-VAIL HEALTHCARE INC

Employer identification number
48-0543789

Part I Questions Regarding Compensation

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

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

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

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

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

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	PART I, LINE 4B	RANDALL PETERSON $ 157,991 DAVID CUNNINGHAM $ 37,201 BERNARD BECKER $ 96,743 KENT PALMBERG, M D $ 344,919 DEBRA YOCUM $ 46,160 JANET STANEK $ 62,500 CAROL PERRY $ 25,137 KEVIN HAN $ 113,339 ERIC VOTH, M D $ 1,653 DOUGLAS ROSE, M D $ 114,076 KEVIN DISHMAN, M D $ 4,510
	PART I, LINE 6	CERTAIN EMPLOYEES OF THE ORGANIZATION ARE ELIGIBLE FOR BONUSES UPON ACHIEVEMENT OF VARIOUS PERFORMANCE MEASURES AS OUTLINED IN THE ANNUAL INCENTIVE PLAN
SUPPLEMENTAL INFORMATION	PART III	SCHEDULE J, PART II, LINE 21, COLUMN (II) INCLUDES A DEFERRED COMPENSATION PAYOUT THAT WAS PAID UPON RETIREMENT AND WAS REPORTED ON THE W-2

Additional Data Return to Form

Software ID:
Software Version:
EIN: 48-0543789
Name: STORMONT-VAIL HEALTHCARE INC

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
STEVEN WATKINS MD	(I)	734,190	119,698	5,544	61,192	9,253	929,877	0
	(II)	0	0	0	0	0	0	0
RANDALL L PETERSON	(I)	395,380	0	2,785	157,991	5,656	561,812	0
	(II)	0	0	0	0	0	0	0
ERIC VOTH MD	(I)	268,209	83,719	1,971	62,311	15,638	431,848	0
	(II)	0	0	0	0	0	0	0
DOUGLAS ROSE MD	(I)	331,587	93,750	3,654	163,043	4,609	596,643	0
	(II)	0	0	0	0	0	0	0
KEVIN DISHMAN MD	(I)	781,908	119,222	1,260	6,766	16,058	925,214	0
	(II)	0	0	0	0	0	0	0
LAMBERT WU MD	(I)	607,529	65,633	840	4,120	16,058	694,180	0
	(II)	0	0	0	0	0	0	0
DAVID CUNNINGHAM	(I)	202,355	70,857	2,175	58,606	15,486	349,479	0
	(II)	0	0	0	0	0	0	0
CAROL WHEELER	(I)	307,255	126,896	4,687	200,718	8,870	648,426	0
	(II)	0	0	0	0	0	0	0
BERNIE BECKER	(I)	271,163	92,710	4,327	156,879	8,812	533,891	0
	(II)	0	0	0	0	0	0	0
KENT PALMBERG MD	(I)	537,570	243,319	9,148	406,979	9,253	1,206,269	0
	(II)	0	0	0	0	0	0	0
DEBRA YOCUM	(I)	268,571	85,484	2,419	87,166	4,482	448,122	0
	(II)	0	0	0	0	0	0	0
JANET STANEK	(I)	348,935	151,981	8,631	113,653	15,779	638,979	0
	(II)	0	0	0	0	0	0	0
CAROL PERRY	(I)	281,466	102,961	2,511	133,847	15,389	536,174	0
	(II)	0	0	0	0	0	0	0
KEVIN HAN	(I)	319,127	75,049	3,629	202,248	631	600,684	0
	(II)	0	0	0	0	0	0	0
MICHAEL KONGS	(I)	148,040	15,225	504	13,130	15,375	192,274	0
	(II)	0	0	0	0	0	0	0
MATTHEW WILLS MD	(I)	2,193,449	71,803	1,260	18,470	16,058	2,301,040	0
	(II)	0	0	0	0	0	0	0
TEWODRO ADDISSE MD	(I)	925,000	86,373	789	28,033	4,878	1,045,073	0
	(II)	0	0	0	0	0	0	0
DAVID LUTES MD	(I)	839,267	77,004	1,932	46,386	4,935	969,524	0
	(II)	0	0	0	0	0	0	0
CHU CHI CHENMD	(I)	1,307,416	97,144	10,668	37,527	4,935	1,457,690	0
	(II)	0	0	0	0	0	0	0
PETER TUTUSKA MD	(I)	874,884	77,004	3,612	58,850	9,253	1,023,603	0
	(II)	0	0	0	0	0	0	0

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
MAYNARD OLIVERIUS	(I)	599,490	1,151,304	9,694	1,000	4,627	1,766,115	0
	(II)	0	0	0	0	0	0	0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
STORMONT-VAIL HEALTHCARE INC

Employer identification number
48-0543789

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	KANSAS DEVELOPMENT FINANCE AUTHORITY		48543BJT6	08-27-2007	50,064,927	HEALTH FACILITIES		X		X		X
B	KANSAS DEVELOPMENT FINANCE AUTHORITY		48543BLG1	03-31-2008	27,950,075	HEALTH FACILITIES		X		X		X
C	KANSAS DEVELOPMENT FINANCE AUTHORITY		484538MC9	08-31-2011	61,193,487	HEALTH FACILITIES		X		X		X
D	KANSAS DEVELOPMENT FINANCE AUTHORITY		48453BNS3	08-14-2012	8,750,000	HEALTH FACILITIES		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	53,519,801	27,950,075	61,196,912	8,748,889
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows	18,107,157	27,677,500	50,325,531	
7	Issuance costs from proceeds	689,770	272,575	863,086	148,649
8	Credit enhancement from proceeds	1,048,000			
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	30,220,000		10,008,295	7,320,181
11	Other spent proceeds				
12	Other unspent proceeds	1,280,059			1,280,059
13	Year of substantial completion	2009	2008	2013	

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X		X		X			X
15	Were the bonds issued as part of an advance refunding issue?	X			X		X		X
16	Has the final allocation of proceeds been made?	X		X		X			X
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		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		X		X		X
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X		X		X

Part III Private Business Use *(Continued)*

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

Part IV Arbitrage

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

Part IV Arbitrage *(Continued)*

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

Part V Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X		X		X		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 K SUPPLENTAL INFORMATION		THE PROJECT FOR THE 2012 BOND ISSUE WAS NOT COMPLETED AS OF SEPTEMBER 30, 2013

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
STORMONT-VAIL HEALTHCARE INC

Employer identification number
48-0543789

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art—Works of art				
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities—Publicly traded				
10	Securities—Closely held stock				
11	Securities—Partnership, LLC, or trust interests				
12	Securities—Miscellaneous				
13	Qualified conservation contribution—Historic structures				
14	Qualified conservation contribution—Other				
15	Real estate—Residential				
16	Real estate—Commercial				
17	Real estate—Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (MEDICAL EQUIPMENT)	X	2	118,355	FMV
26	Other ▶ (COMPUTER EQUIPMENT)	X	3	27,609	FMV
27	Other ▶ (OTHER EQUIPMENT)	X	4	144,145	FMV
28	Other ▶ (_____)				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . 29

		Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period? 30a		No
b	If "Yes," describe the arrangement in Part II		
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions? 31		No
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? 32a		No
b	If "Yes," describe in Part II		
33	If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II		

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Identifier	Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
STORMONT-VAIL HEALTHCARE INC

Employer identification number
48-0543789

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	
	FORM 990, PART VI, SECTION B, LINE 12C	THE OFFICERS, DIRECTORS AND KEY EMPLOYEES SUBMIT CONFLICT OF INTEREST STATEMENTS TO THE CH AIRMAN OF THE AUDIT COMMITTEE OF STORMONT-VAIL HEALTHCARE EACH YEAR THE CHAIRMAN REVIEWS THE RESPONSES AND REPORTS TO THE AUDIT COMMITTEE FOR THEIR REVIEW, ANY APPROPRIATE ACTION IF REQUIRED AND APPROVAL THE CHAIRMAN ALSO THEN REPORTS THE RESULTS TO THE FULL BOARD OF DIRECTORS
	FORM 990, PART VI, SECTION B, LINE 15	THE PERFORMANCE COMMITTEE OF THE STORMONT-VAIL HEALTHCARE BOARD OF DIRECTORS ENGAGED INTEG RATED HEALTHCARE STRATEGIES, AN EXECUTIVE COMPENSATION CONSULTING FIRM, TO PROVIDE RECOMME NDATIONS REGARDING ALL ASPECTS OF COMPENSATION OF THE ORGANIZATION'S SENIOR LEADERSHIP GRO UP, INCLUDING THE PRESIDENT & CEO THAT ENGAGEMENT INCLUDED THE FOLLOWING COMPONENTS -REV IEW OF BACKGROUND DATA, INCLUDING INFORMATION ON CURRENT PROGRAM, -COMPILATION OF DATA ON COMPENSATION AND BENEFIT PRACTICES OF COMPARABLE ORGANIZATIONS, -COMPARISON OF BASE SALARI ES AT SVHC TO BASE SALARY LEVELS IN THE MARKET, -COMPARISON OF ANNUAL AND LONG-TERM INCENT IVES AT SVHC TO INCENTIVE LEVELS IN THE MARKET, -ANALYSIS OF BENEFITS ON BOTH A QUANTITATI VE AND QUALITATIVE BASIS, -COMPARISON OF SVHC TOTAL COMPENSATION (BASE, INCENTIVE, BENEFIT S) TO PEER GROUP TOTAL COMPENSATION, -PREPARATION OF REPORT TO FACILITATE SVHC BOARD DISCU SSION OF THE TOTAL COMPENSATION, AND -RECOMMENDATIONS REGARDING ESTABLISHMENT OF SALARY RA NGES FOR SENIOR LEADERSHIP POSITIONS THE DELIBERATIONS AND DECISIONS OF THE PERFORMANCE C OMMITTEE AND THE BOARD OF DIRECTORS ARE DOCUMENTED IN MEETING MINUTES MAINTAINED BY SVHC
	FORM 990, PART VI, SECTION C, LINE 19	STORMONT-VAIL HEALTHCARE, INC MAKES THEIR FINANCIAL STATEMENTS AVAILABLE FOR PUBLIC INSPE CTION AS PART OF THE 990 INFORMATION RETURN ANY CHANGES TO THE GOVERNING DOCUMENTS ARE IN CLUDED WITH THE 990 RETURN AT THIS TIME, THE HEALTH CENTER DOES NOT MAKE THEIR CONFLICT O F INTEREST POLICY AVAILABLE TO THE PUBLIC
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 9	EQUITY IN NET INCOME OF CONSOLIDATED AFFILIATES 290,181 CHANGE IN ADDITIONAL MINIMUM LIAB ILITY FOR RETIREMENT BENEFITS 39,923,803 NET GAINS/(LOSS) OF UNCONSOLIDATED AFFILIATES -2 83,177 BOOK AMORTIZATION GREATER THAN TAX -151,706
	PART XII, LINE 2C	NO CHANGE FROM PRIOR YEAR

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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
STORMONT-VAIL HEALTHCARE INC

Employer identification number
48-0543789

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	(g) No
(1) STORMONT-VAIL FOUNDATION 1500 SW 10TH AVE TOPEKA, KS 66604 48-0980926	GENERATE VOLUNTARY GIFTS TO SUPPORT STORMONT-VAIL HEALTHCARE	KS	501(C)(3)	LINE 7	STORMONT-VAIL HEALTHCARE		No
(2) STORMONT-VAIL HEALTHCARE AUXILARY 1500 SW 10TH AVE TOPEKA, KS 66604 48-6140517	PROVIDE GIFT SHOP, RESTAURANT AND PROJECTS FOR THE CONVENIENCE OF PATIENTS	KS	501(C)(3)	LINE 11A, I	N/A		No
(3) STORMONT-VAIL SERVICES INC 1500 SW 10TH AVE TOPEKA, KS 66604 48-1021165	MEDICAL SERVICES	KS	501(C)(3)	LINE 7	N/A		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) URISH MEDICAL PLAZA LLC 1500 SW 10TH TOPEKA, KS 66604 48-0782848	REAL ESTATE	KS	STORMONT-VAIL INC	RELATED	86,017	844,160		No		Yes		71 670 %

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	(i) No
(1) STORMONT-VAIL INC 901 GARFIELD TOPEKA, KS 66606 48-0782848	RETAIL PHARMACY	KS	STORMONT-VAIL HEALTHCARE INC	C	1,689,981	16,176,613	100 000 %		No
(2) DECHAIRO HOSPITAL INC 1500 SW 10TH ST TOPEKA, KS 66604 48-0788844	REAL ESTATE	KS	STORMONT-VAIL INC	C		343,458	100 000 %		No
(3) CENTURY HEALTH SOLUTIONS INC 2951 SW WOODSIDE DR TOPEKA, KS 66614 48-1206397	INSURANCE MANAGEMENT OPERATIONS	KS	STORMONT-VAIL INC	C	-204,903	227,191	100 000 %		No
(4) UAT INC 1500 SW 10TH ST TOPEKA, KS 66604 48-0907989	MEDICAL BILLINGS PRACTICE	KS	STORMONT-VAIL HEALTHCARE INC	C		87,242	100 000 %		No
(5) KOSM INC 1500 SW 10TH ST TOPEKA, KS 66604 48-0807000	MEDICAL BILLINGS PRACTICE	KS	STORMONT-VAIL HEALTHCARE INC	C	50,151	181,429	100 000 %		No

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

		Yes	No
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 orgranization 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	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b	Yes	
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e		No
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h	Yes	
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j		No
k Lease of facilities, equipment, or other assets from related organization(s)	1k		No
l Performance of services or membership or fundraising solicitations for related organization(s)	1l		No
m Performance of services or membership or fundraising solicitations by related organization(s)	1m		No
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	Yes	
o Sharing of paid employees with related organization(s)	1o	Yes	
p Reimbursement paid to related organization(s) for expenses	1p		No
q Reimbursement paid by related organization(s) for expenses	1q	Yes	
r Other transfer of cash or property to related organization(s)	1r		No
s Other transfer of cash or property from related organization(s)	1s	Yes	

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) STORMONT-VAIL FOUNDATION	B	420,000	
(2) STORMONT-VAIL FOUNDATION	S	181,627	
(3) STORMONT-VAIL HEALTHCARE AUXILIARY	C	208,543	
(4) STORMONT-VAIL HEALTHCARE AUXILIARY	Q	246,707	
(5) STORMONT-VAIL INC	O	1,396,479	
(6) STORMONT-VAIL FOUNDATION	O	355,791	

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Software ID:
Software Version:
EIN: 48-0543789
Name: STORMONT-VAIL HEALTHCARE INC

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

--> **Form 990, Schedule R, Part V - Transactions With Related Organizations**

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
STORMONT-VAIL FOUNDATION	B	420,000	
STORMONT-VAIL FOUNDATION	S	181,627	
STORMONT-VAIL HEALTHCARE AUXILIARY	C	208,543	
STORMONT-VAIL HEALTHCARE AUXILIARY	Q	246,707	
STORMONT-VAIL INC	O	1,396,479	
STORMONT-VAIL FOUNDATION	O	355,791	

Stormont-Vail HealthCare, Inc. and Affiliates

Consolidated Financial Statements
September 30, 2013

Contents

McGladrey

Independent Auditor's Report

To the Audit Committee
Stormont-Vail HealthCare, Inc.
Topeka, Kansas

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Stormont-Vail HealthCare, Inc. and affiliates (Stormont-Vail) which comprise the consolidated balance sheets as of September 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 consolidated 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 Stormont-Vail HealthCare, Inc. and affiliates as of September 30, 2013 and 2012, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements 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.

Emphasis of Matter

As discussed in Note 13 to the consolidated financial statements, Stormont-Vail changed its method of presentation and disclosure of patient service revenue and the provision for bad debts as a result of the adoption of Accounting Standards Update No. 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provisions for Bad Debts, and the Allowance for Doubtful Accounts for Certain Healthcare Entities*, during the year ended September 30, 2013, through retrospective application to the consolidated financial statements. Our opinion is not modified with respect to this matter.

McGladrey LLP

Davenport, Iowa
December 13, 2013

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Stormont-Vail HealthCare, Inc.
and Affiliates

Consolidated Balance Sheets
September 30, 2013 and 2012

Assets	2013	2012
Current assets		
Cash and cash equivalents	**$ 92,895,129**	$ 88,031,207
Short-term investments	**18,756,974**	61,590,177
Limited use or restricted assets	**12,097,431**	10,372,812
Patient accounts receivable, net of allowances		
2013 $178,809,592, 2012 $159,749,948	**73,742,986**	74,313,362
Other accounts receivable	**2,866,733**	2,822,540
Inventories	**5,673,183**	6,498,729
Other current assets	**6,240,935**	5,323,533
Total current assets	**212,273,371**	248,952,360
Limited use or restricted assets		
Under bond trust indentures, held by Trustee	**5,693,121**	10,958,351
Board-designated for capital improvements	**143,500,732**	94,062,594
Restricted by professional liability insurance security agreements	**5,468,545**	5,075,487
Restricted by donors or grantors	**15,957,912**	14,444,766
Total limited use or restricted assets	**170,620,310**	124,541,198
Less current portion	**12,097,431**	10,372,812
Limited use or restricted assets, net	**158,522,879**	114,168,386
Property, plant and equipment	**427,290,032**	411,224,758
Less accumulated depreciation	**226,397,641**	212,748,638
Property, plant and equipment, net	**200,892,391**	198,476,120
Other assets		
Debt issue costs, net	**1,825,738**	1,928,737
Investments in unconsolidated affiliates	**5,703,144**	6,860,142
Intangible assets, net	**3,244,402**	938,546
Other	**78,256**	30,345
Total other assets	**10,851,540**	9,757,770
	$ 582,540,181	$ 571,354,636

See Notes to Consolidated Financial Statements

Liabilities and Net Assets	**2013**	2012
Current liabilities:		
Current portion of long-term debt	**$ 4,228,924**	$ 3,888,872
Current portion of payable under employee agreements	**397,475**	775,248
Accounts payable	**16,882,560**	14,254,991
Accrued expenses:		
Interest	**2,279,118**	2,275,207
Compensation	**30,782,108**	33,366,441
Health insurance	**4,554,465**	4,866,846
Other	**7,420,172**	6,969,385
Estimated settlements due to third-party payors	**2,527,462**	5,418,036
Total current liabilities	**69,072,284**	71,815,026
Long-term debt, less current portion	**141,344,744**	145,486,140
Long-term payable under employee agreements, less current portion	**390,505**	1,326,641
Liability for retirement benefits	**72,770,104**	123,380,873
Total liabilities	**283,577,637**	342,008,680
Commitments and contingencies (Notes 9 and 12)		
Net assets:		
Unrestricted	**282,690,108**	213,760,090
Noncontrolling interest - unrestricted	**314,524**	1,141,100
Temporarily restricted	**3,607,937**	2,972,254
Permanently restricted	**12,349,975**	11,472,512
Total net assets	**298,962,544**	229,345,956
	$ 582,540,181	$ 571,354,636

Stormont-Vail HealthCare, Inc.
and Affiliates

Consolidated Statements of Operations
Years Ended September 30, 2013 and 2012

	2013	2012
Operating revenues		
Patient service revenue, net of contractual adjustments	$ 544,795,472	$ 543,203,635
Less provision for uncollectible accounts	34,638,387	33,564,396
Net patient service revenue	510,157,085	509,639,239
Other operating revenue	8,551,672	22,679,375
Net assets released from restriction for operating activities	415,059	641,742
Total operating revenues	519,123,816	532,960,356
Operating expenses		
Salaries, wages and employee benefits	316,487,293	325,654,139
Supplies and other expenses	149,627,569	141,094,248
Professional services	6,356,789	6,311,186
Interest	6,857,435	6,370,339
Depreciation and amortization	20,485,447	19,885,154
Program expense	557,204	767,002
Total operating expenses	500,371,737	500,082,068
Income from operations	18,752,079	32,878,288
Nonoperating gains (losses)		
Investment income		
Interest and dividend income and realized gains on sales of investments	440,814	7,120,801
Change in unrealized gains on trading securities	8,972,844	3,079,145
Investment income	9,413,658	10,199,946
Equity in net gains of unconsolidated affiliates	530,011	2,114,647
Income tax expense and other income (expense), net	325,824	(995,726)
Gain (loss) on disposition of unconsolidated affiliates (Note 1)	(280,026)	12,984,048
Change in fair value of interest rate swap	-	118,520
Total nonoperating gains, net	9,989,467	24,421,435
Excess of revenues over expenses	28,741,546	57,299,723
Less excess of revenue over expenses attributable to noncontrolling interest	(25,441)	(233,320)
Excess of revenues over expenses attributable to Stormont-Vail	28,716,105	57,066,403
Change in unrecognized funded status of pension plan	39,923,803	(14,416,272)
Net assets released from restriction for capital expenditures	116,852	99,947
Donation of property and equipment received	173,258	261,469
Increase in unrestricted net assets	$ 68,930,018	$ 43,011,547

See Notes to Consolidated Financial Statements

Stormont-Vail HealthCare, Inc.
and Affiliates

Consolidated Statements of Changes in Net Assets
Years Ended September 30, 2013 and 2012

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Unrestricted Net Assets - Noncontrolling Interest	Total Net Assets
Net assets, September 30, 2011	$ 170,748,543	$ 2,354,315	$ 10,094,497	$ 1,617,637	$ 184,814,992
Excess of revenue over expenses	57,066,403	-	-	233,320	57,299,723
Change in unrecognized funded status of pension plan	(14,416,272)	-	-	-	(14,416,272)
Net change in unrealized losses on investments	-	583,641	-	-	583,641
Investment income	-	15,473	1,192,944	-	1,208,417
Donations of property and equipment received	261,469	-	-	-	261,469
Contributions, net	-	755,985	189,600	-	945,585
Net assets released from restriction for capital expenditures	99,947	(99,947)	-	-	-
Net assets released from restriction for operating activities	-	(641,742)	-	-	(641,742)
Change of restriction by donor	-	4,529	(4,529)	-	-
(Distributions to) noncontrolling interest	-	-	-	(709,857)	(709,857)
Change in net assets	43,011,547	617,939	1,378,015	(476,537)	44,530,964
Net assets, September 30, 2012	213,760,090	2,972,254	11,472,512	1,141,100	229,345,956
Excess of revenue over expenses	28,716,105	-	-	25,441	28,741,546
Change in unrecognized funded status of pension plan	39,923,803	-	-	-	39,923,803
Net change in unrealized losses on investments	-	(57,307)	-	-	(57,307)
Investment income	-	520,603	632,463	-	1,153,066
Donations of property and equipment received	173,258	-	-	-	173,258
Contributions, net	-	744,298	205,000	-	949,298
Net assets released from restriction for capital expenditures	116,852	(116,852)	-	-	-
Net assets released from restriction for operating activities	-	(415,059)	-	-	(415,059)
Change of restriction by donor	-	(40,000)	40,000	-	-
Purchase of noncontrolling interest	-	-	-	(831,295)	(831,295)
(Distributions to) noncontrolling interest	-	-	-	(20,722)	(20,722)
Change in net assets	68,930,018	635,683	877,463	(826,576)	69,616,588
Net assets, September 30, 2013	**$ 282,690,108**	**$ 3,607,937**	**$ 12,349,975**	**$ 314,524**	**$ 298,962,544**

See Notes to Consolidated Financial Statements

Stormont-Vail HealthCare, Inc.
and Affiliates

Consolidated Statements of Cash Flows
Years Ended September 30, 2013 and 2012

	2013	2012
Cash Flows from Operating Activities:		
Increase in net assets	**$ 69,616,588**	$ 44,530,964
Adjustments to reconcile increase in net assets to net cash provided by operating activities.		
Depreciation and amortization	**20,588,411**	19,978,465
Equity in net gains and gain on disposition of unconsolidated affiliates	**(249,985)**	(15,098,695)
Realized gain on investments	**(649,016)**	(266,937)
Change in net unrealized gain on investments	**(8,915,537)**	(3,662,786)
Change in fair value of interest rate swap	**-**	(118,520)
Donation of property and equipment received	**(173,258)**	(261,469)
Loss on disposal of property and equipment	**218,579**	711,759
Contributions and investment income restricted for long-term purposes	**(837,463)**	(1,382,544)
Acquisition of noncontrolling interest	**831,295**	-
Change in funded status of retirement plan	**(50,610,769)**	13,217,066
Changes in assets and liabilities.		
Accounts receivable	**526,183**	769,417
Inventories and other current assets	**(91,856)**	(1,743,378)
Accounts payable, accrued expenses and estimate for third-party payors	**(4,524,365)**	5,685,109
Long-term payable under employee agreement	**(1,313,909)**	(231,986)
Net cash provided by operating activities	**24,414,898**	62,126,465
Cash Flows from Investing Activities.		
Proceeds from investments and limited use or restricted assets	**119,479,436**	20,194,664
Purchases of investments and limited use or restricted assets	**(112,584,943)**	(55,667,342)
Purchases of property, plant and equipment	**(20,497,564)**	(28,581,920)
Investment in unconsolidated affiliates	**(173,968)**	(165,075)
Distributions and proceeds from unconsolidated affiliates	**1,580,951**	15,709,839
Payment for acquisition of noncontrolling interest	**(4,000,000)**	-
Proceeds from disposal of property and equipment	**194,248**	265,647
Other	**(9,406)**	41,316
Net cash (used in) investing activities	**$ (16,011,246)**	$ (48,202,871)

(Continued)

Stormont-Vail HealthCare, Inc.
and Affiliates

Consolidated Statements of Cash Flows (Continued)
Years Ended September 30, 2013 and 2012

	2013	2012
Cash Flows from Financing Activities		
Collections of contributions restricted for long-term purposes	**$ 261,614**	$ 310,340
Proceeds from issuance of long-term debt	**-**	8,750,000
Payments for bond issuance costs	**-**	(147,032)
Principal payments on long-term debt, including capital lease obligation	**(3,801,344)**	(1,524,666)
Net cash provided by (used in) financing activities	**(3,539,730)**	7,388,642
Increase in cash and cash equivalents	**4,863,922**	21,312,236
Cash and cash equivalents, beginning of year	**88,031,207**	66,718,971
Cash and cash equivalents, end of year	**$ 92,895,129**	$ 88,031,207
Supplemental Disclosure of Cash Flow Information, cash paid for interest, excluding capitalized interest 2013 $107,025, 2012 $235,506	**$ 6,853,524**	$ 5,703,345
Supplemental Disclosure of Noncash Investing and Financing Activities, increase (decrease) in accounts payable related to acquisition of property and equipment	**1,819,344**	(1,138,483)

See Notes to Consolidated Financial Statements

Note 1. Nature of Business and Significant Accounting Policies

Nature of business:

Stormont-Vail HealthCare, Inc (HealthCare) is a Kansas not-for-profit corporation. The consolidated financial statements include the accounts of HealthCare, its for-profit subsidiaries where there is controlling interest and all not-for-profit membership organizations where HealthCare is the sole member, all of which are collectively referred to as Stormont-Vail Operations of companies acquired are included beginning from the date of purchase. All significant intercompany accounts and transactions have been eliminated in the consolidation.

Stormont-Vail HealthCare, Inc or its subsidiaries have a controlling ownership interest or membership in the following corporations.

Stormont-Vail Foundation (the Foundation) was incorporated in 1984 as a Kansas not-for-profit corporation and is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code (Code). The Foundation exists to generate voluntary gifts support for HealthCare patient care services and community health education programs. HealthCare is the sole voting member of the Foundation

ExcellENT Surgery Center, L.L.C. (ESC) was established in 2007 as a Kansas limited liability company to operate an outpatient specialty Ear, Nose and Throat Surgery Center. Until October 1, 2012, HealthCare was a 51% owner, with the remaining ownership held by ear, nose and throat physicians On October 1, 2012, HealthCare acquired the remaining 49% ownership interest in ESC for approximately $4,000,000. ESC was dissolved in October 2012 and subsequent to the dissolution its operations are presented as a department of HealthCare.

Stormont-Vail, Inc was incorporated in 1984 as a for-profit corporation. Stormont-Vail, Inc operates a retail pharmacy in Topeka and owns interests in unconsolidated affiliates, including Kansas Rehabilitation Hospital, Inc. HealthCare owns all the stock of Stormont-Vail, Inc.

Century Health Solutions, Inc (Century Health) was incorporated as a Kansas for-profit corporation in November 1998 to perform insurance management operations, to act as a utilization review administrator and to act as a third party administrator of insurance claims Stormont-Vail, Inc owns all of the outstanding stock of Century Health

Dechairo Hospital, Inc. (Dechairo Hospital) is a Kansas for-profit corporation, which once owned and operated a 20-bed primary care hospital located in Westmoreland, Kansas Dechairo Hospital operating activity was discontinued by management of Stormont-Vail, Inc. on May 1, 1999. Beginning in 2008, Dechairo owns and leases real estate to Stormont-Vail, Inc.

KOSM, Inc is a Kansas for-profit corporation acquired by HealthCare in August 2009 HealthCare owns all of the outstanding stock of KOSM, Inc. KOSM, Inc leases certain assets to HealthCare for its orthopedic practices

Urish Medical Plaza, L L C (UMP) is a Kansas limited liability company. Stormont-Vail, Inc acquired approximately 72% of the membership units of UMP during 2009 UMP owns and leases real estate to HealthCare, the noncontrolling interest owners and others.

UAT, Inc is a Kansas for-profit corporation acquired by HealthCare in December 2009. HealthCare owns all of the outstanding stock of UAT, Inc. UAT, Inc. leases certain assets to HealthCare for its urology practices.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Significant Accounting Policies:

Accounting estimates. The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, 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 and the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates. Estimates that are particularly susceptible to significant changes in the near term and which require significant judgments by management include the allowance for doubtful accounts, allowance for contractual adjustments, estimated third-party payor settlements, defined benefit retirement plan assumptions, fair value of investments, self-insured professional and worker's compensation liabilities and incurred but not reported liability for health self-insurance.

Cash and cash equivalents. For purposes of reporting cash flows, cash and cash equivalents include certificates of deposit and all highly liquid debt instruments with original maturities of three months or less Certain temporary cash investments internally and externally designated as long-term investments are excluded from cash and cash equivalents.

Patient receivables and net patient service revenue. Patient receivables, where a third-party payor is responsible for paying the amount, are carried at a net amount determined by the original charge for the service provided, less an estimate for contractual adjustments or discounts provided to third-party payors.

Patient receivables due directly from the patients are carried at the original charge for the service provided less amounts covered by third-party payors and less an estimated allowance for doubtful receivables based on a review of all outstanding amounts on a monthly basis Management determines the allowance for doubtful accounts by identifying troubled accounts, by historical experience applied to an aging of accounts and by considering the patient's financial history, credit history and current economic conditions Stormont-Vail only charges interest on patient accounts that have been turned over to collections. Patient receivables are written off to provision for uncollectible accounts when deemed uncollectible. Recoveries of receivables previously written off are recorded as a reduction of the provision for uncollectible accounts when received.

Receivables or payables related to estimated settlements on various risk contracts that Stormont-Vail participates in are reported as estimated settlements due to third-party payors.

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 with third-party payors are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Net patient service revenue is reported net of the provision for uncollectible accounts

Note 1. Nature of Business and Significant Accounting Policies (Continued)

In evaluating the collectability of accounts receivable, Stormont-Vail analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for uncollectible accounts. 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, Stormont-Vail analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for uncollectible accounts, if necessary (for example, for expected uncollectible 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), Stormont-Vail records a significant provision for uncollectible accounts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Stormont-Vail's allowance for doubtful accounts for self-pay patients increased from approximately 76% of self-pay accounts receivable at September 30, 2012, to approximately 78% of self-pay accounts receivable at September 30, 2013. In addition, Stormont-Vail's self-pay write-offs decreased approximately $3,000,000 for the year ended September 30, 2013 compared to the year ended September 30, 2012. The changes were the result of negative trends experienced in the collection of amounts from self-pay patients for the year ended September 30, 2013. Stormont-Vail has not changed its charity care or uninsured discount policies during the year ended September 30, 2013. Stormont-Vail does not maintain a material allowance for doubtful accounts from third-party payors, due to insignificant write-offs from third-party payors

Stormont-Vail 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. For uninsured patients that do not qualify for charity care, Stormont-Vail recognizes revenue on the basis of its standard rates for services provided On the basis of historical experience, a significant portion of Stormont-Vail's uninsured patients will be unable or unwilling to pay for the services provided. Thus, Stormont-Vail records a significant provision for uncollectible accounts related to uninsured patients in the period the services are provided

Patient service revenue at established rates less third-party payor contractual adjustments (but before the provision for bad debts), recognized in the year ended September 30, 2013, was approximately.

Third-party payors	$ 508,651,681
Self pay	36,143,791
	$ 544,795,472

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Inventories. Inventories consist primarily of medical supplies, stated at the lower of cost, determined by the first-in, first-out basis, or market.

Limited use or restricted assets: Limited use or restricted assets include assets held by trustees under bond trust indentures, assets set aside by the Board of Directors for capital improvements over which it retains control and may at its discretion subsequently use for other purposes; assets in accounts that are restricted pursuant to insurance agreements regarding medical liability programs; and assets restricted by donors or grantors for specific purposes, time periods or beneficial interests controlled by third party trustees

Contributions Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of operations as net assets released from restriction Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying consolidated financial statements.

Investments. Investments in equity securities with readily determinable fair values, all investments in debt securities and alternative investments, which include hedge funds and funds of funds, are measured at fair value on the balance sheet. Stormont-Vail reports the fair value of alternative investments using the practical expedient. The practical expedient allows for the use of NAV, either as reported by the investee fund or as adjusted by Stormont-Vail based on various factors. Stormont-Vail has the ability to liquidate its alternative investments periodically in accordance with the provisions of the investment fund agreement. Certain alternative investments are in the process of being redeemed as of September 30, 2013 Donated investments are reported at fair value at the date of receipt, which is then treated as cost Investment income, including realized gains and losses on investments, interest and dividends and changes in unrealized gains and losses on trading securities, is included in excess of revenues over expenses, unless the income or loss is restricted by donor or law

Investment income, except for investment income earned on certain short-term investments which are included in other operating revenue, is reported as nonoperating revenue. Stormont-Vail classifies those investments that are not limited to use or restricted assets or cash and cash equivalents as short-term investments on the accompanying consolidated balance sheets Short-term investments are available for current operations, and as such, are reported as current assets

Property, plant and equipment: Property, plant and equipment is carried at cost Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Amortization expense on assets acquired under capital leases is included with depreciation expense on owned assets. Donated assets are recorded at their appraised value on the date of donation.

Debt issue costs: Debt issue costs and original issue discount are being amortized using a method which approximates the interest method over the term of the bonds

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Investment in unconsolidated affiliates: Stormont-Vail has investments in various health related ventures Investments in which Stormont-Vail's ownership is more than 20% but less than 50% are accounted for using the equity method of accounting under which their share of the net income (loss) of the affiliates is recognized as nonoperating gains (losses) in the statement of operations and added to (deducted from) the investment account, and dividends and distributions received from the affiliates are treated as a reduction of the investment account Less than 20% owned affiliates are accounted for at historical cost unless management believes that the carrying value of the investment is not recoverable.

In March 2012, Stormont-Vail, Inc sold its 50% interest in Kansas Dialysis Services, L C (KDS) to HealthCare On June 1, 2012, KDS sold its assets and operations to an unrelated third party, which resulted in a gain of approximately $12,984,000 to HealthCare This gain is presented as a nonoperating gain on disposition of unconsolidated affiliates in the accompany statements of operations for the year ended September 30, 2012 The assets which KDS sold included inventory, leasehold improvements and equipment. KDS made a final distribution in 2013 and the difference between HealthCare's investment in KDS and the distribution of $280,026 was recorded as a loss on disposition of unconsolidated affiliates in the accompanying statements of operations for the year ended September 30, 2013

The following is the aggregated condensed financial information of the unconsolidated affiliates as of and for the years ended September 30, 2013 and 2012.

	2013	2012
Total revenues	$ 37,171,443	$ 49,770,962
Total expenses	34,497,067	43,197,148
Net income	$ 2,674,376	$ 6,573,814
Total assets	$ 24,506,001	$ 30,902,683
Total liabilities	8,363,870	12,100,090
Total net assets/stockholders' equity	$ 16,142,131	$ 18,802,593

Intangible assets Intangible assets consist of the following at September 30.

	2013	2012
Employment and non-compete agreements, net of accumulated amortization 2013 $2,108,772; 2012 $1,332,727	$ 3,208,095	$ 821,846
Other	36,307	116,700
Intangible assets, net	$ 3,244,402	$ 938,546

Employment and non-compete agreements are being amortized over the period of the agreements which is five to ten years. Amortization is computed using the straight-line method, which reflects the pattern in which economic benefits of the intangible assets will be realized. Amortization expense for the years ended September 30, 2013 and 2012 was $856,438 and $508,866, respectively Intangible assets are reviewed for impairment when conditions indicate it is necessary.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

The following is a schedule by year of estimated amortization expenses:

Year ending September 30.	
2014	$ 721,154
2015	332,120
2016	313,018
2017	313,018
2018	313,018
Thereafter	1,252,074
	$ 3,244,402

Temporarily and permanently restricted net assets: Stormont-Vail is required to report information regarding its financial position and operations according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The three classes are based on the presence or absence of donor-imposed restrictions Temporarily restricted net assets include net assets restricted by donors to a specific time period or purpose Permanently restricted net assets have been restricted by donors to be maintained in perpetuity. Donor restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements. Also see Note 7 for additional information on restricted net assets

Revenue is reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations Expirations of temporary restrictions on net assets (i e , the donor-stipulated purposes has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

The *Not-for-Profit Topic* of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) requires a not-for-profit organization that is subject to an enacted version of the UPMIFA to classify a portion of a donor-restricted endowment fund of perpetual duration as permanently restricted net assets. The amount classified as permanently restricted is the amount of the fund (a) that must be retained permanently in accordance with explicit donor stipulations or (b) that in the absence of such stipulations, the organization's governing board determines must be retained permanently under the relevant law. In addition, a not-for-profit organization must classify the portion of the fund that is not classified as permanently restricted net assets as temporarily restricted net assets (time restricted) until appropriated for expenditure by Stormont-Vail

Charity care and community services: Stormont-Vail provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because Stormont-Vail does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue Charity care, based on estimated costs, totaled approximately $9,988,000 and $10,540,000 in 2013 and 2012, respectively Cost of charity care is calculated by applying hospital specific cost to charge ratios to the total amount of charity care deductions from gross revenue. The cost-to-charge ratio is calculated by taking the hospital total expenses and gross charges and applying adjustments to offset nonpatient care activity revenue against expense as well as eliminate bad debt expense

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Stormont-Vail also provides other health care services and programs for the benefit of the community, at no charge or at reduced rates This includes a subsidy of approximately $165,300 and $279,500 annually for nursing, medical and allied health education for the years ended September 30, 2013 and 2012, respectively. Other education programs include prenatal, parenting, diabetes, CPR, immunization, infection control and various support groups Other community services include an infant follow-up clinic and blood pressure, breast cancer and prostate screening clinics.

Excess of revenues over expenses. The statement of operations includes excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include change in unrecognized funded status of pension plan, permanent transfers of assets to and from affiliates for other than goods and services and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets)

Functional expenses. Stormont-Vail provides general health care services including acute care, outpatient and rehabilitation services to residents within its geographic locations Expenses related to providing these services in 2013 and 2012 were approximately $496,183,000 and $493,049,000, including approximately $80,221,000 and $77,109,000, respectively, for general and administrative expenses and approximately $205,000 and $189,600, respectively, for fundraising expenses

Income taxes. HealthCare and the Foundation are not-for-profit organizations and public charities, not private foundations, as described in Sections 501(c)(3) and 509(a) of the Internal Revenue Code, respectively, and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code Net income tax expense (benefit) related to for-profit affiliates was approximately $(300,000) and $1,082,000 in 2013 and 2012, respectively.

As limited liability companies, ESC's (until October 1, 2012) and UMP's income is taxable to members based on their proportionate share of ESC's and UMP's income, deductions, losses and credits as well as the tax status of each member

HealthCare and the Foundation each file a Form 990 (Return of Organization Exempt from Income Tax) annually. When these returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would ultimately be sustained Examples of tax positions common to health care organizations include such matters as the following: the tax exempt status of each entity, the nature, characterization and taxability of joint venture income and various positions relative to potential sources of unrelated business taxable income. Unrelated business taxable income is reported on Form 990T, as appropriate The benefit of a tax position is recognized in the consolidated financial statements in the period during which, based on all available evidence, management believes that it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any.

Tax positions are not offset or aggregated with other positions Tax positions that meet the "more likely than not" recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely to be realized on settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for uncertain tax benefits in the accompanying consolidated balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination. As of September 30, 2013 and 2012, there were no uncertain tax benefits identified and recorded as a liability

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Forms 990 and 990T filed by HealthCare and the Foundation are generally subject to examination by the Internal Revenue Service (IRS) up to three years from the extended due date of each return Forms 990 and 990T filed by HealthCare and the Foundation are generally no longer subject to examination for the fiscal years ended September 30, 2009 and prior. Stormont-Vail, Inc., Century Health, KOSM, Inc , Dechairo Hospital and UAT, Inc are taxable organizations and currently file income tax returns in the U S. federal jurisdiction and various state jurisdictions. These entities are generally no longer subject to income tax examinations for years September 30, 2009 and prior

Noncontrolling interest. Stormont-Vail, Inc. has a 72% ownership interest in UMP, while other members own a noncontrolling interest A pro rata share of the income or losses and net assets, in the form of members' equity, applicable to this interest has been recognized in Stormont-Vail's consolidated financial statements

Fair value of financial instruments. Financial instruments are described as cash or contractual obligations or rights to pay or to receive cash The fair value for certain financial instruments approximates the carrying value because of the short-term maturity of these instruments which include cash and cash equivalents, receivables, accounts payable, accrued liabilities, estimated net settlements to third-party payors and other current liabilities. The fair value of the liability for retirement benefits approximates carrying value as the Plan's assets are recorded at fair value and the projected benefit obligation is discounted to present value. A portion of Stormont-Vail's investments are carried at fair value on the balance sheets based on quoted market prices The alternative investments are carried at fair value, which are recorded at NAV as the practical expedient for fair value, which is based primarily on historical investment returns and financial and nonfinancial data of the underlying investees. The fair value of Stormont-Vail's long-term debt (excluding capital lease obligations) as of September 30, 2013 and 2012 was approximately $145,933,000 and $157,425,000, respectively

Fair value measurements. The *Fair Value Measurements and Disclosures Topic* of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) defines fair value, establishes a framework for measuring fair value and establishes required disclosure of fair value measurements, which applies to all assets and liabilities that are measured and reported on a fair value basis See Note 4 for additional information

Electronic health records incentive program. The electronic health records incentive program, enacted as part of the *American Recovery and Reinvestment Act of 2009*, provides for incentive payments under both the Medicare and Medicaid programs to eligible health systems that demonstrate meaningful use of certified electronic health records (EHR) technology. Payments under both the Medicare and Medicaid program are generally made for up to four years based on a statutory formula. The Medicaid programs are determined on a state by state basis, which are approved by the Centers for Medicare and Medicaid Services Payment under both programs are contingent on the Hospital initially attesting to being a meaningful user of EHR technology and then continuing to meet escalating criteria, including other specific requirements that are applicable, for consecutive reporting periods. The Medicare base payment amount is reduced in subsequent years by 25 percent, 50 percent and 75 percent. For the first payment year, the Hospital must attest, subject to audit, that it met the criteria for any continuous 90-day period. For subsequent payment years, the Hospital must demonstrate meaningful use for the entire year. The final amount for any payment year is determined based upon an audit by the fiscal intermediary. Events could occur that would cause the final amounts to differ materially from the initial payments under the program

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Stormont-Vail received funds under the EHR incentive programs during 2012 Stormont-Vail recognizes revenue under the contingency model, whereas revenue is not recognized until all contingencies, including receipt of cash, have occurred. Stormont-Vail demonstrated meaningful use for the 90-day period during 2012 Revenue of approximately $5,023,000 in Medicare and Medicaid incentive payments under these programs, respectively, is recognized as other operating revenue during the year ended September 30, 2012 in the accompanying consolidated statements of operations The final payments will be determined based on information from Stormont-Vail's final audited Medicare cost reports.

Subsequent events Stormont-Vail has evaluated subsequent events through December 13, 2013, the date on which the consolidated financial statements were issued.

Note 2. Net Patient Service Revenue

Stormont-Vail provides medical and health care services in Northeast Kansas Stormont-Vail generally does not require collateral or other security in extending credit to patients; however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans or policies

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

- Medicare: Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Stormont-Vail's classification of inpatients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization and third-party payors under contract with Stormont-Vail Outpatient services are paid at prospectively determined outpatient procedure rates and fee schedules for lab, therapies and certain designated medical screenings covered by the Medicare program Stormont-Vail is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by Stormont-Vail and audits thereof by the Medicare administrative contractor Stormont-Vail's Medicare cost reports have been finalized by the Medicare administrative contractor through September 30, 2009. However, the Hospital has also received tentative settlements on its Medicare cost reports for the years ended September 30, 2010 through 2012.
- Medicaid. Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors Stormont-Vail's classification of patients under the Medicaid program and the appropriateness of their admission are subject to an independent review by a peer review organization and third-party payors under contract with Stormont-Vail. Outpatient services are paid at prospectively determined rates per procedure or test performed.
- Blue Cross: Inpatient services rendered to Blue Cross subscribers are reimbursed at prospectively determined discounts from established charges with the exception of a few outpatient procedures which are paid on a fee-screen basis.

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

Note 2. Net Patient Service Revenue (Continued)

A summary of net patient service revenue for the years ended September 30, 2013 and 2012 is as follows.

	2013	2012
Patient service revenue, including charity care	$ 1,467,183,583	$ 1,474,176,548
Less charity care, at established charges	(31,913,392)	(34,289,693)
Gross patient service revenue	1,435,270,191	1,439,886,855
Less		
Contractuals	(888,747,961)	(895,513,430)
Courtesy allowance	(1,726,758)	(1,169,790)
Net patient service revenue, net of contractual allowances	544,795,472	543,203,635
Less provision for uncollectible accounts	(34,638,387)	(33,564,396)
Net patient service revenue	$ 510,157,085	$ 509,639,239

Provisions for contractual adjustments for the years ended September 30, 2013 and 2012 includes the effect of a change in the estimate of the liability due to third-party payors. The effect of this change in estimate is a decrease in the provision for contractual adjustments of approximately $1,478,000 and $2,781,000 for the years ended September 30, 2013 and 2012, respectively

The Kansas Medicaid State Plan (Plan) approved by the Center for Medicare and Medicaid Services (CMS) establishes an annual tax assessment on certain hospital providers and health maintenance organizations and created the health care access improvement fund Under the Plan, proceeds from the tax assessment are deposited to the State's health care access improvement fund and are used to obtain Federal matching funds, all of which must be distributed to Kansas hospitals and physicians to help bring Medicaid reimbursement closer to the cost of providing care The allocation of these funds to specific health care providers is based primarily on the amount of care provided to Medicaid recipients The Plan increases inpatient diagnosis related group reimbursement rates and also implements several supplemental inpatient and outpatient methodologies. Stormont-Vail's tax assessment for 2013 and 2012 was approximately $5,086,000 and $1,731,000, respectively, and is included in other operating expenses in the consolidated statements of operations.

In June 2012, Stormont-Vail received a settlement from CMS of approximately $3,381,000, which is included as a reduction of contractual adjustment expense. This settlement was the result of a national lawsuit claiming that CMS has applied a negative budget neutrality adjustment to the Medicare inpatient prospective payment system each year since 1998 to account for the increase in payments related to the Medicare wage index rural floor. The rural floor provides that no Metropolitan Statistical Area's wage index can be lower than the state-wide rural wage index.

Note 3. Investments and Limited Use or Restricted Assets

A summary of short-term investments as of September 30, 2013 and 2012 is as follows:

	September 30, 2013	September 30, 2012
Short-term investments.		
U.S. government obligations	$ 3,237,791	$ 2,999,941
Certificate of deposit	612,798	980,000
Money market	1,084,174	1,423,330
Fund of funds, fixed income	-	41,048,534
Foreign issues	136,086	340,852
Corporate bonds	8,002,071	8,728,461
Mutual bond funds	5,684,054	6,069,059
	$ 18,756,974	$ 61,590,177

Limited use or restricted assets which are available for payment of obligations classified as current liabilities are reported as current assets. The composition of limited use or restricted assets for the years ended September 30, 2013 and 2012, stated at fair value or cost for cash and cash equivalents and certificates of deposit, is as follows.

	September 30, 2013	September 30, 2012
Under bond trust indentures, held by Trustee,		
U S. government obligations	$ 5,693,121	$ 10,958,351
Board-designated for capital improvements		
Cash and cash equivalents	$ 48,806	$ 1,223,323
Certificates of deposit	1,981,833	2,016,683
U S government obligations	51,402	52,495
Corporate bonds	1,268,327	2,782,785
Municipal bonds	2,890,855	-
Money market	216,785	237,087
Foreign issues	51,126	178,270
Hedge funds and funds of funds:		
Hedge fund	34,242,487	33,655,824
Fixed income	35,224,062	18,537,256
Domestic equity	32,940,585	15,740,747
Global equity	34,584,464	19,638,124
	$ 143,500,732	$ 94,062,594

Note 3. Investments and Limited Use or Restricted Assets (Continued)

	September 30, 2013	September 30, 2012
Restricted by professional liability insurance security agreements:		
Cash and cash equivalents	$ 104,775	$ 101,762
U.S. government obligations	1,448,571	1,328,204
Foreign issues	50,376	76,843
Corporate bonds	3,864,823	3,568,678
	$ 5,468,545	$ 5,075,487
Restricted by donors and grantors:		
Cash and cash equivalents	$ 455,617	$ 750,376
Certificates of deposit	34,336	34,219
U S government obligations	124,169	148,183
Common stocks	3,451,569	2,750,123
Money market	570,634	140,127
Preferred stocks	25,015	25,085
Corporate bonds	750,493	820,459
Municipal bonds	278,755	-
Foreign issues	1,115,242	78,157
Pledges receivable	360,859	369,970
Other	248,069	-
Beneficial interest held by third party	7,398,327	6,772,563
Exchange, traded and closed end funds	90,064	1,255,791
Taxable bonds	704,763	952,339
Charitable remainder trust receivable	350,000	347,374
	$ 15,957,912	$ 14,444,766

Stormont-Vail's investments are exposed to various risks such as interest rate, market and credit Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the consolidated financial statements.

Note 3. Investments and Limited Use or Restricted Assets (Continued)

A summary of investment income for the years ended September 30, 2013 and 2012 is as follows:

	2013	2012
Investment income.		
Interest and dividends	$ 173,615	$ 10,956,171
Realized gains on sale of investments, net	649,016	266,937
Change in net unrealized gains on investments	9,548,000	4,855,730
Investment fees	(213,719)	(169,614)
Total investment income	$ 10,156,912	$ 15,909,224
Reconciliation of total investment income reporting:		
Investment income reported as.		
Other operating revenue	$ (352,505)	$ 3,917,220
Nonoperating revenue	440,814	7,120,801
Temporarily restricted	520,603	15,473
Permanently restricted, change in unrealized gains	632,463	1,192,944
Change in net unrealized gains (losses):		
Unrestricted	8,972,844	3,079,145
Temporarily restricted	(57,307)	583,641
Total investment income	$ 10,156,912	$ 15,909,224

Note 4. Investments and Fair Value Measurements

The Fair Value Measurement and Disclosures Topic of the FASB ASC defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants and requires the use of valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances In that regard, this guidance establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs

Note 4. Investments and Fair Value Measurements (Continued)

The fair value hierarchy is as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data Level 2 investments also include market alternatives, measured using the practical expedient, that do not have any significant redemption restrictions, lock ups, gates or other characteristics that would cause liquidation and report date NAV to be significantly different

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability. Level 3 investments are valued using the practical expedient and would have significant redemption and other restrictions that would limit Stormont-Vail's ability to redeem out of the fund at report date NAV. Valuation techniques include use of option pricing models, discounted cash flow models and similar techniques. The fair value of the investment is based on a combination of audited financial statements of the investees and monthly or quarterly statements received from the investees.

A description of the valuation methodologies used for assets and liabilities measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below:

Investments in common and preferred stocks, corporate, municipal, mutual fund bonds, foreign issues and exchange traded funds traded on a national securities exchange are valued at the last reported sales price on the day of valuation. These financial instruments are classified as level 1 in the fair value hierarchy.

Investment in U.S. government obligations for which quotations are not readily available are valued using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Investments in hedge funds and fund of funds are valued at fair value based on the applicable percentage ownership of the underlying funds' net assets as of the measurement date. In determining fair value, Stormont utilizes valuations provided by the underlying investment funds. The underlying investment funds value securities and other financial instruments on a fair value basis of accounting The fair value of Stormont-Vail's investments in hedge funds and fund of funds generally represents the amount Stormont-Vail would expect to receive if it were to liquidate its investments in funds excluding any redemption charges that may apply. These financial instruments are classified as level 2 and level 3 in the fair value hierarchy

Investments in split interest agreements (beneficial interest held by third party and charitable remainder receivable) are valued as the estimated present value of expected future cash flows. These financial instruments are classified as level 3 in the fair value hierarchy.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values Furthermore, although Stormont-Vail believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date

Note 4. Investments and Fair Value Measurements (Continued)

The following tables summarize assets and liabilities measured at fair value on a recurring basis as of September 30, 2013 and 2012, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value.

		Fair Value Measurements as of September 30, 2013		
	Fair Value	Level 1	Level 2	Level 3
Assets limited as to use and investments.				
Common and preferred stocks				
Small cap	$ 614,477	$ 614,477	$ -	$ -
Mid cap	204,255	204,255	-	-
Large cap	2,019,766	2,019,766	-	-
Preferred stock	25,015	25,015	-	-
Common stock	90,160	90,160	-	-
Corporate bonds	13,885,714	13,885,714	-	-
Municipal bonds	3,169,610	3,169,610	-	-
Mutual fund bonds	5,684,054	5,684,054	-	-
Taxable bonds	704,763	704,763	-	-
Other	770,980	770,980	-	-
Foreign issues	1,352,830	1,352,830	-	-
Exchange traded funds	90,064	90,064	-	-
Money market investment funds	1,871,593	1,871,593	-	-
Hedge funds and funds of funds				
Hedge fund	34,242,487	-	-	34,242,487
Fixed income	35,224,062	-	35,224,062	-
Domestic equity	32,940,585	-	32,940,585	-
Global equity	34,584,464	-	34,584,464	-
U S government obligations	10,555,054	-	10,555,054	-
Beneficial interest held by third party	7,398,327	-	-	7,398,327
Charitable remainder trust receivable	350,000	-	-	350,000
Investments at fair value	185,778,260	$ 30,483,281	$ 113,304,165	$ 41,990,814
Cash and cash equivalents and other, at cost	3,599,024			
	$ 189,377,284			

Note 4. Investments and Fair Value Measurements (Continued)

		Fair Value Measurements as of September 30, 2012		
	Fair Value	Level 1	Level 2	Level 3
Assets limited as to use and investments				
Common and preferred stocks				
Small cap	$ 228,778	$ 228,778	$ -	$ -
Mid cap	97,004	97,004	-	-
Large cap	925,923	925,923	-	-
Preferred stock	25,085	25,085	-	-
Common stock	71,700	71,700	-	-
Corporate bonds	15,900,383	15,900,383	-	-
Taxable bonds	952,339	952,339	-	-
Mutual fund bonds	6,069,059	6,069,059	-	-
Other	1,426,718	1,426,718	-	-
Foreign issues	674,122	674,122	-	-
Exchange traded funds	1,255,791	1,255,791	-	-
Hedge funds and funds of funds:				
Hedge fund	33,655,824	-	33,655,824	-
Fixed income	59,585,790	-	59,585,790	-
Domestic equity	15,740,747	-	15,740,747	-
Global equity	19,638,124	-	19,638,124	-
U S government obligations	15,487,174	-	15,487,174	-
Money market investment fund	1,800,544	1,800,544	-	-
Beneficial interest held by third party	6,772,563	-	-	6,772,563
Charitable remainder trust receivable	347,374	-	-	347,374
Investments at fair value	180,655,042	$ 29,427,446	$ 144,107,659	$ 7,119,937
Cash and cash equivalents and other, at cost	5,476,333			
	$ 186,131,375			

Stormont-Vail has requested redemption of certain investments that were previously classified as level 2 securities. Because of the redemption request, these investments have been transferred from level 2 to level 3 during the year ended September 30, 2013 as these investments have redemption restrictions The transfer had no effect on total investments There were no other transfers of assets or liabilities between level 1, 2 or 3 of the fair value hierarchy during the years ended September 30, 2013 and 2012.

Note 4. Investments and Fair Value Measurements (Continued)

The changes in fair value of level 3 investments for the years ended September 30, 2013 and 2012 were as follows:

	Hedge Fund		Beneficial Interest Held by Third Party		Charitable Remainder Trust Receivable	
	2013	2012	2013	2012	2013	2012
Beginning of year	$ -	$ -	$ 6,772,563	$ 5,720,883	$ 347,374	$ 294,434
Purchases	-	-	-	350,000	-	-
Sales and distributions	-	-	(392,000)	(350,000)	-	-
Transfers in	34,154,978	-	-	-	-	-
Total realized and unrealized gains, net, included in earnings	87,509	-	1,017,764	1,051,680	2,626	52,940
End of year	$ 34,242,487	$ -	$ 7,398,327	$ 6,772,563	$ 350,000	$ 347,374
Total gains, net, included in earnings attributable to the change in unrealized gains, net, relating to financial instruments still held at year-end	$ 87,509	$ -	$ 1,017,764	$ 1,051,680	$ 2,626	$ 52,940

Gains and losses included in earnings for the period above are reported in nonoperating income in the statement of operations and changes in net assets

The following table sets forth additional disclosure of Stormont-Vail's investments whose fair value is estimated using NAV per share (or its equivalent) as of September 30, 2013 and 2012:

Investment	Fair Value 2013	Fair Value 2012	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Hedge funds and funds of funds					
The Morgan Creek Fund, Ltd. (A)	$ 34,242,487	$ 33,655,824	$ -	(A)	(A)
Summit Domestic Equities Series (B)	32,940,585	15,740,747	-	Twice a month	30 Days
Summit Global Equities Series (C)	34,584,464	19,638,124	-	Twice a month	30 Days
Summit Fixed Income Series (D)	35,224,062	59,585,790	-	Twice a month	30 Days
	$ 136,991,598	$ 128,620,485	$ -		

(A) The Morgan Creek Fund, Ltd. is structured as a fund-of-funds whose investment objective is to generate superior long-term investment returns relative to traditional equity benchmarks with significantly lower volatility of returns, a low degree of correlation to traditional portfolios, and limited risk under a wide range of market conditions The Morgan Creek Fund, Ltd. seeks to achieve its investment objective by allocating its assets to a broad spectrum of alternative investment managers or in private investment funds sponsored by alternative investment managers. These strategies include investments in equity, debt and mezzanine securities, and include long only and long/short strategies diversified across markets around the world. The Morgan Creek Fund, Ltd uses the Endowment Model as their diversified approach to investing. The fair value of this investment has been estimated using the NAV per share of the investments provided by the fund manager. Stormont-Vail has requested a redemption of the Morgan Creek Fund, Ltd. funds and Morgan Creek is working through an orderly process to redeem these investments. The total redemption of Stormont-Vail's investments and pension plan assets represents approximately 43% of the fund's net assets. On December 5, 2013, the directors of Morgan Creek Fund, Ltd. made the decision to redeem all investors in the Fund as of December 31, 2013, with redemptions to be paid in 2014. It is intended the Fund will be wound up after all assets have been realized and all redemption proceeds have been paid

Note 4. Investments and Fair Value Measurements (Continued)

(B) Securities in the Domestic Equities Series will be domestic corporations traded on any national exchange or NASDAQ Investments in common stock, listed limited partnerships, preferred stock, ETFs, ETNs, securities convertible into common or preferred stock, bonds, American Depository Receipts (ADR's), debentures and warrants are allowed. The series is also permitted to invest in mutual funds and other commingled investment vehicles that invest in the types of domestic securities identified above. The fair value of this investment has been estimated using the NAV per share of the investments provided by the fund manager.

(C) Securities in the Global Equities Series will be both U S and non-U.S. based corporations traded on any global exchange Investments in common stock, listed limited partnerships, preferred stock, ETFs, ETNs, securities convertible into common or preferred stock, bonds, American Depository Receipts (ADR's), debentures and warrants are allowed. Additionally, investments in Global Depository Receipts (GDR's) and European Depository Receipts (EDR's) are allowed. The series is also permitted to invest in mutual funds and other commingled investment vehicles that invest in the types of global securities identified above. The decision to hedge the currency exposure (inherent in international investments) is at the discretion of the underlying investment managers The fair value of this investment has been estimated using the NAV per share of the investments provided by the fund manager.

(D) The principal purpose of Fixed Income Series is to provide relative safety of principal and a predictable source of income Additionally, the series may invest in "extended" sectors of the fixed income market (high yield, non-dollar and convertible securities) Each underlying manager will be responsible for investing in securities specific to the manager's mandate. The fair value of this investment has been estimated using the NAV per share of the investments provided by the fund manager

Note 5. Property, Plant and Equipment

A summary of property, plant and equipment for the years ended September 30, 2013 and 2012 is as follows

	September 30,	
	2013	2012
Land	$ 17,380,611	$ 15,923,345
Buildings and improvements	249,451,021	245,143,467
Equipment	156,404,440	144,049,263
Equipment under capital lease	1,553,421	1,553,421
Construction in progress	2,500,539	4,555,262
	$ 427,290,032	$ 411,224,758

Accumulated depreciation for equipment acquired under capital leases was $977,985 and $667,301 as of September 30, 2013 and 2012, respectively

Note 6. Long-Term Debt

Stormont-Vail's long-term debt as of September 30, 2013 and 2012 is summarized as follows.

	2013	2012
Health Facilities Revenue Bonds		
Series 2007L (A)	$ 50,050,000	$ 50,050,000
Series 2008F (B)	27,630,000	27,785,000
Series 2011F (C)	55,115,000	57,905,000
Series 2012L (D)	8,635,000	8,750,000
	141,430,000	144,490,000
Premium on issuance of Series 2011F bonds (C)	2,732,907	2,899,697
6th and Frazier note payable - 5.90%	-	84,403
Capital lease obligations at interest rates ranging from 4.50% - 4 62%	647,093	956,576
Other notes and contract payable - 4.00% - 6 25%	763,668	944,336
Total long-term debt	145,573,668	149,375,012
Less current portion	(4,228,924)	(3,888,872)
	$ 141,344,744	$ 145,486,140

The Health Facilities Revenue Bonds were issued by the Kansas Development Finance Authority. Stormont-Vail effectively assumed this indebtedness through a Master Trust Indenture and Supplemental Master Trust Indentures

(A) The 2007L Bonds consist of term bonds bearing interest at rates ranging from 4.625% to 5.125% and in amounts of $1,875,000, $1,115,000, $4,545,000, $10,000,000, $7,515,000 and $25,000,000 due November 15, 2027, November 15, 2029, November 15, 2032, November 15, 2032, November 15, 2036 and November 15, 2036, respectively

The 2007L Bonds maturing November 15, 2027 and thereafter are subject to optional redemption and payment prior to maturity on or after November 15, 2027. The 2007L Bonds are also subject to mandatory redemption and payment prior to maturity on November 15, 2024 through November 15, 2036 in amounts ranging from $210,000 to $6,740,000

(B) The 2008F Bonds consist of serial bonds due in annual principal payments ranging from $125,000 to $2,405,000 and mature between November 15, 2013 and November 15, 2030. The 2008F Bonds bear interest at rates ranging from 4.00% to 5.75% payable semi-annually. In addition, term bonds bearing interest at 5.00% in the amounts of $5,480,000 and $2,280,000 are due November 15, 2021 and November 15, 2024, respectively (Series 2008F Term Bonds)

The 2008F bonds maturing in the year 2018 and thereafter are subject to optional redemption and payment prior to maturity on or after November 15, 2017. The Series 2008F Term Bonds are subject to mandatory redemption and payment prior to maturity on November 15, 2019 through November 15, 2024 in amounts ranging from $210,000 to $1,920,000

(C) The 2011F Bonds consist of serial bonds due in annual principal payments ranging from $1,825,000 to $6,400,000 and mature between November 15, 2013 and November 15, 2030 The 2011F Bonds bear interest at rates ranging from 3 00% to 5 25% payable semi-annually.

The 2011F Bonds maturing in the year 2022 and thereafter are subject to optional redemption and payment prior to maturity on or after November 15, 2019

Note 6. Long-Term Debt (Continued)

(D) The 2012L Bonds consist of term bonds due that mature between November 15, 2013 and November 15, 2027, bearing interest at 3 02% and in amounts ranging from $465,000 to $705,000

The 2012L Bonds maturing November 15, 2027 and thereafter are subject to optional redemption and payment prior to maturity on or prior to November 15, 2017 at 101% The 2012L Bonds are also subject to optional redemption and payment prior to maturity after November 15, 2017 at 100%.

The Health Facilities Revenue Bonds are secured by the gross revenue of HealthCare (the sole member of the obligated group) The Master Indentures for the Bonds provide for the establishment of debt service accounts which are maintained and administered by a trustee, provide for restrictions as to financial reporting, mergers, and additional indebtedness, and require the maintenance of specified ratios

Stormont-Vail is the lessee of certain medical equipment under capital leases expiring through 2016 Maturities of long-term debt and minimum future lease payments under capital leases are as follows.

	Health Facilities Revenue Bonds	Other Notes and Contract Payable	Capital Leases
Year ending September 30.			
2014	$ 3,610,000	$ 294,971	$ 346,872
2015	3,730,000	47,675	313,366
2016	3,865,000	49,164	17,738
2017	4,045,000	50,773	-
2018	4,225,000	321,085	-
Thereafter	121,955,000	-	-
Total	$ 141,430,000	$ 763,668	677,976
Less amount representing interest			(30,883)
Present value of net minimum lease payments			$ 647,093

In November 2013, Stormont-Vail issued Series 2013J Health Facilities Revenue Bonds in the amount of $40,000,000. The proceeds from the Series 2013J Bonds are to be used for the acquisition, construction and renovation of various health care facilities and equipment The principal payments due on the Series 2013J Bonds are excluded from the maturities above No principal amounts are due in the year ending September 30, 2014 on the Series 2013J Bonds

Note 7. Net Asset Restrictions

Temporarily restricted net assets of $3,607,937 and $2,972,254 as of September 30, 2013 and 2012, respectively, are available for community health care services and other health related needs of the community During 2013 and 2012, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes of health related needs of the community

Permanently restricted net assets of $12,349,975 and $11,472,512 as of September 30, 2013 and 2012, respectively, are restricted to investment in perpetuity. Of those amounts, $7,398,327 and $6,772,563, respectively, are beneficial interest in assets of a perpetual trust held by a third party trustee from which the income distributions are unrestricted. Income from the other $4,951,648 and $4,699,949, respectively, which is under Stormont-Vail's control is expendable primarily to support various endowments' health related purposes.

Note 8. Endowment

Stormont-Vail's endowment consists of approximately 30 individual endowments established for a variety of purposes. Its endowments include donor-restricted permanent endowments and amounts designated by the Board of Directors to function as endowments. These board designated endowments include amounts temporarily restricted by donors as to purpose, as well as, unrestricted amounts. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds, including board designated endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

Stormont-Vail has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Stormont-Vail classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by Stormont-Vail in a manner consistent with the standard of prudence prescribed by UPMIFA In accordance with UPMIFA, Stormont-Vail considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of Stormont-Vail and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of Stormont-Vail
(7) The investment policies of Stormont-Vail

Note 8. Endowment (Continued)

The endowment net assets at September 30, 2013 and 2012 were:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
		September 30, 2013		
Donor restricted endowment funds	$ -	$ 864,534	$ 4,951,648	$ 5,816,182
Board-designated endowment funds				
Donor restricted as to purpose	-	510,997	-	510,997
Board-designated as to purpose	772,453	-	-	772,453
	$ 772,453	$ 1,375,531	4,951,648	$ 7,099,632
Beneficial interest held by third party			7,398,327	
Total permanently restricted net assets			$ 12,349,975	
		September 30, 2012		
Donor restricted endowment funds	$ -	$ 511,246	$ 4,699,949	$ 5,211,195
Board-designated endowment funds.				
Donor restricted as to purpose	-	477,893	-	477,893
Board-designated as to purpose	575,693	-	-	575,693
	$ 575,693	$ 989,139	4,699,949	$ 6,264,781
Beneficial interest held by third party			6,772,563	
Total permanently restricted net assets			$ 11,472,512	

Note 8. Endowment (Continued)

Changes in endowment net assets for the years ended September 30, 2013 and 2012 were.

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
	September 30, 2013			
Endowment net assets, beginning of year	$ 575,693	$ 989,139	$ 4,699,949	$ 6,264,781
Investment return (unrealized and realized)	58,044	463,151	-	521,195
Contributions	-	-	211,699	211,699
Appropriation of endowment assets for expenditure	(6,159)	(76,759)	-	(82,918)
Additions to endowment funds	144,875	-	40,000	184,875
Endowment net assets, end of year	$ 772,453	$ 1,375,531	4,951,648	$ 7,099,632
Beneficial interest held by third party			7,398,327	
Total permanently restricted net assets			$ 12,349,975	
	September 30, 2012			
Endowment net assets, beginning of year	$ 386,683	$ 554,549	$ 4,373,614	$ 5,314,846
Investment return (unrealized and realized)	128,377	593,770	-	722,147
Contributions	-	-	330,864	330,864
Appropriation of endowment assets for expenditure	(26,867)	(199,180)	-	(226,047)
Additions to endowment funds	87,500	40,000	-	127,500
Release of endowment funds by donor	-	-	(4,529)	(4,529)
Endowment net assets, end of year	$ 575,693	$ 989,139	4,699,949	$ 6,264,781
Beneficial interest held by third party			6,772,563	
Total permanently restricted net assets			$ 11,472,512	

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires Stormont-Vail to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States, deficiencies of this nature are reported in board-designated unrestricted net assets There were no deficiencies as of September 30, 2013 or 2012

Return Objectives, Risk Parameters and Strategies Employed for Achieving Objectives

Stormont-Vail has adopted an Investment Policy Statement that applies to endowment assets and which is intended to provide a predictable stream of funding to programs supported by its endowment while seeking long term growth in the real value of the endowment assets. Endowment assets include those assets of donor-restricted funds that Stormont-Vail must hold in perpetuity as well as board-designated funds.

Note 8. Endowment (Continued)

Return Objectives, Risk Parameters and Strategies Employed for Achieving Objectives (Continued)

To satisfy its long-term rate-of-return objectives, Stormont-Vail relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends) Stormont-Vail targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints. The endowment assets are invested in a manner that is intended to produce results comparable with weighted benchmarks including the Standard and Poor's 500, the Barclay's Government/Credit, and 90 day US Treasury bill indices

Stormont-Vail understands that some level of risk, or volatility, is necessary to meet its long-term goals of providing the long term growth in real value while also supporting programs as intended by the Endowed Funds Spending Policy that is summarized below Accordingly, Stormont-Vail assumes a moderate level of investment risk Stormont-Vail expects its endowment funds, over time, to provide an average annual rate of return of up to eight percent Actual returns in any given year vary, sometimes significantly, from this expectation.

Spending Policy and How the Investment Objectives Relate to the Spending Policy

Through September 30, 2012, Stormont-Vail had an Endowed Funds Spending Policy which permits appropriation for expenditure, each fiscal year, five percent of each endowment fund's value as of September 30 of the immediately preceding fiscal year Effective October 1, 2012, Stormont-Vail adopted an Endowed Funds Spending Policy which permits a discretionary percentage from zero to five percent of the average of each endowment fund's value from the prior six bi-annual periods including the most recent March 31 In establishing this policy, Stormont-Vail considered the long-term expected return on its endowment. Accordingly, over the long term, in view of both the Endowed Funds Spending Policy and the Investment Account Policy Statement, Stormont-Vail expects its endowment to grow at an average of between two to three percent annually This is consistent with Stormont-Vail's objective of creating long term growth in the real value of endowment assets.

Note 9. Operating Leases

Stormont-Vail has operating leases for land, buildings and medical and office equipment which expire through the year 2026. Rental expense under such leases was approximately $5,868,000 and $5,423,000 during the years ended September 30, 2013 and 2012, respectively

The following is a schedule of approximate future minimum lease payments for operating leases (with initial or remaining terms in excess of one year) as of September 30, 2013.

Year ending September 30:	
2014	$ 4,039,000
2015	3,856,000
2016	3,786,000
2017	3,480,000
2018	1,191,000
Thereafter	414,000
	$ 16,766,000

Note 10. Retirement Plans

Effective October 1, 2012, the Board of Directors adopted a resolution to establish a basic defined contribution plan For the year ending September 30, 2013, Stormont-Vail will make an annual discretionary contribution of 4% of compensation into this plan for eligible employees To be eligible, employees must be 18 years old and have at least one year of employment with at least 1,000 hours paid in that year and be employed on September 30th of the year. In addition, Stormont-Vail's Defined Contribution 403(b) match plan will change to contribute an amount equal to participant contributions to the 403b plan up to 2% of their compensation up to the legal limit. There were no changes in employee eligibility in the 403(b) match plan. Stormont-Vail has accrued approximately $8,300,000 and none as of September 30, 2013 and 2012, respectively, for the employer contributions owed for the defined contribution plans These amounts are included in accrued compensation on the accompanying consolidated balance sheets.

Stormont-Vail also has a noncontributory defined benefit pension plan (Pension Plan). Pension benefits are based on years of service and the highest average of five years' salaries. The funding policy is to contribute the normal cost plus amortization of the unfunded actuarial liabilities over 30 years Employees are eligible to participate in the Pension Plan upon reaching age 21 and completion of one year of employment with 1,000 hours in that year. Effective September 30, 2012, the Board of Directors adopted a resolution to freeze the defined benefit pension plan. There was a curtailment loss of $3,011,434 as a result of this plan election

The Compensation – Retirement Benefits Topic of the FASB ASC requires balance sheet recognition of the overfunded or underfunded status of pension and postretirement benefit plans. Actuarial gains and losses, prior service costs or credits and any remaining transition assets or obligations that have not been recognized under previous accounting standards, must be recognized in the changes in unrestricted net assets

As a result, Stormont-Vail has recognized the underfunded status of the defined benefit pension plan in the accompanying balance sheets as of September 30, 2013 and 2012 The accrual for the defined benefit pension plan liability is based on a comparison of the fair value of the plan assets to the Plan's projected benefit obligation.

Note 10. Retirement Plans (Continued)

The Pension Plan is measured annually on September 30 Information about the Plan follows:

	2013	2012
Projected benefit obligation, beginning of year	$ (293,689,329)	$ (248,478,529)
Service cost	-	(13,741,859)
Interest cost	(11,421,853)	(12,166,032)
Actuarial loss.		
Impact of change in assumptions	37,611,442	(39,042,061)
Other	(2,802,015)	(7,324,700)
Plan amendment	-	22,077,525
Benefits paid	6,018,060	4,986,327
Projected benefit obligation, end of year	(264,283,695)	(293,689,329)
Fair value of plan assets	191,513,591	170,308,456
Funded status, benefit obligation in excess of plan assets	$ (72,770,104)	$ (123,380,873)
Rollforward of accrued benefit.		
Accrued benefit cost on balance sheet, beginning of year	$ (123,380,873)	$ (110,163,807)
Actual return on plan assets	16,630,862	16,980,061
HealthCare contributions	10,592,333	20,000,000
Change in plan liability	23,387,574	(50,197,127)
Accrued benefit cost on balance sheet, end of year	$ (72,770,104)	$ (123,380,873)
Components of net periodic pension cost (income), which is included as a component of excess revenues over expenses on the accompanying consolidated statements of operations and changes in net assets, consist of		
Service cost	$ -	$ 13,741,859
Interest cost	11,421,853	12,166,032
Expected return on plan assets	(14,579,701)	(13,957,998)
Amortization of unrecognized net loss	3,063,215	3,560,627
Amortization of unrecognized prior service cost	-	3,290,274
	$ (94,633)	$ 18,800,794
Amounts not yet recognized as components of net periodic pension cost.		
Net actuarial loss	$ 101,191,687	$ 141,115,490
Prior service cost	-	-
Unrecognized amounts, end of year	101,191,687	141,115,490
Unrecognized amounts, beginning of year	141,115,490	126,699,218
Current year change	$ (39,923,803)	$ 14,416,272
Assumptions used in computations:		
In computing ending obligations, discount rate	4.82%	3.90%
In computing net cost:		
Discount rate	3.90%	4 85%
Expected return on plan assets	8 00%	8.00%
Rate of compensation increase - graded based on ages	n/a	2.5 - 10 0%

Note 10. Retirement Plans (Continued)

Stormont-Vail expects to contribute approximately $9,240,000 into the Pension Plan during the year ended September 30, 2014.

The benefit payments are expected to be paid as follows:

Year ending September 30:	
2014	$ 8,404,000
2015	9,506,000
2016	10,521,000
2017	11,656,000
2018	12,914,000
2019 to 2023	78,337,000
	$ 131,338,000

Estimated amounts that will be amortized into net periodic pension cost for the year ending September 30, 2014, is as follows

Prior service cost	$ -
Actuarial losses	2,168,000
	$ 2,168,000

Stormont-Vail's objective is to maximize long-term returns while reducing losses in order to meet future benefit obligations. Stormont-Vail follows the policy of using historical evidence in computing expected return on assets

The following summarizes minimum and maximum asset allocations and major asset categories as of September 30, 2013 and 2012.

	Minimum	Maximum	2013	2012
Equity securities	40 %	80 %	64 %	62 %
Debt securities	20	60	5	9
Cash and cash equivalents	-	10	1	2
Other	-	20	30	27
			100 %	100 %

Stormont-Vail's objective is to maintain adequate levels of diversification among plan assets. Stormont-Vail monitors the allocation on an ongoing basis and will reallocate plan assets accordingly

Note 10. Retirement Plans (Continued)

The fair values of Stormont-Vail's defined benefit pension plan assets as of September 30, 2013 and 2012 by asset category, segregated by the level of the valuation inputs within the fair value hierarchy as described in Note 4, are as follows:

		Fair Value Measurements as of September 30, 2013		
	Fair Value	Level 1	Level 2	Level 3
Hedge funds and funds of funds				
Hedge fund - MCF	$ 34,655,458	$ -	$ -	$ 34,655,458
Hedge fund - BRIC	1,783,995	-	-	1,783,995
Fixed Income	51,200,697	-	51,200,697	-
Domestic Equity	48,708,181	-	48,708,181	-
Global Equity	50,498,237	-	50,498,237	-
Money market	277,276	277,276	-	-
Investments at fair value	187,123,844	$ 277,276	$ 150,407,115	$ 36,439,453
Other plan assets, cash and cash equivalents, at cost	4,389,747			
Total plan assets	$ 191,513,591			

		Fair Value Measurements as of September 30, 2012		
	Fair Value	Level 1	Level 2	Level 3
Hedge funds and funds of funds				
Hedge fund - MCF	$ 58,551,917	$ -	$ 58,551,917	$ -
Fixed Income	38,925,456	-	38,925,456	-
Domestic Equity	31,595,662	-	31,595,662	-
Global Equity	39,485,164	-	39,485,164	-
Money market	1,750,257	1,750,257	-	-
Investments at fair value	170,308,456	$ 1,750,257	$ 168,558,199	$ -
Other plan assets, cash and cash equivalents, at cost	-			
Total plan assets	$ 170,308,456			

Stormont-Vail has requested redemption of certain investments that were previously classified as level 2 securities These investments have been transferred from level 2 to level 3 during the year ended September 30, 2013 as these investments have redemption restrictions. The transfer had no effect on total investments. There were no other transfers of assets or liabilities between level 1, 2 or 3 of the fair value hierarchy during the years ended September 30, 2013 and 2012

Note 10. Retirement Plans (Continued)

The change in fair value of level 3 investments for the year ended September 30, 2013 is as follows.

	Hedge Funds - MCF	Hedge Funds - BRIC
	2013	2013
Beginning of year	$ -	$ -
Purchases	-	-
Sales and distributions	(21,216,005)	-
Transfers in	57,716,814	1,783,995
Transfers out	(1,783,995)	-
Total realized and unrealized gains (losses), net included in earnings	(61,356)	-
End of year	$ 34,655,458	$ 1,783,995
Total gains (losses), net, included in earnings attributable to the change in unrealized gains, net, relating to financial instruments still held at year end	$ (61,356)	$ -

The following table sets forth additional disclosure of Stormont-Vail's defined benefit pension plan assets whose fair value is estimated using NAV per share (or its equivalent) as of September 30, 2013 and 2012.

Investment	Fair Value 2013	Fair Value 2012	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Hedge funds and funds of funds					
The Morgan Creek Fund, Ltd. (A)	$ 34,655,458	$ 58,551,917	$ -	(A)	(A)
Morgan Creek BRIC, Ltd	1,783,995	-	-	(E)	(E)
Summit Domestic Equities Series (B)	48,708,181	31,595,662	-	Twice a month	30 Days
Summit Global Equities Series (C)	50,498,237	39,485,164	-	Twice a month	30 Days
Summit Fixed Income Series (D)	51,200,697	38,925,456	-	Twice a month	30 Days
	$ 186,846,568	$ 168,558,199	$ -		

(A) through (D) the hedge funds and funds of funds are further described in Note 4

(E) Morgan Creek BRIC Plus Private Fund, Ltd is primarily structured as a fund-of-funds whose investment objective is to generate superior long-term investment returns relative to traditional equity benchmarks with significantly lower volatility of returns, a low degree of correlation to traditional portfolios, and limited risk under a wide range of market conditions The fund seeks to achieve this objective by investing its assets with a diversified group of alternative investment managers or in private funds employing a wide range of investment styles and strategies sponsored by investment managers By focusing on investments with investment managers who are not constrained by traditional asset management restrictions, such as prohibitions against short selling, leverage, security type or investment concentration, the fund expects to engage investment managers within each market segment and investment discipline The fair value of this investment has been estimated using the NAV per share of the investments provided by the fund manager Stormont is receiving special purpose vehicle shares in this fund as it redeems out of the Morgan Creek Fund, Ltd as a significant portion of the underlying investments in this fund are illiquid. Redemption of these funds is expected through an orderly process within a 2 year period

Stormont-Vail redeemed $21,216,005 in cash from The Morgan Creek Fund, Ltd. in July and August 2013 and $1,783,995 was transferred into the Morgan Creek BRIC Plus Private Fund, Ltd. fund.

Note 11. Concentrations of Credit Risk

Stormont-Vail grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payor agreements The mix of the gross receivables from patients and third-party payors as of September 30, 2013 and 2012 was as follows:

	2013	2012
Medicare	27.5 %	29.0 %
Medicaid	9 3	7.8
Blue Cross	15.2	15.3
Other third-party payors	19 3	20.8
Patients	28 7	27.1
	100 0 %	100.0 %

As of September 30, 2013, Stormont-Vail had deposits exceeding the federal depository insurance limits in various major financial institutions. Management believes the credit risk related to these deposits is minimal.

Stormont-Vail routinely invests its surplus operating funds in money market funds. These funds generally invest in highly liquid U S. government and agency obligations and various investment grade corporate obligations. Most investments in money market funds are not insured or guaranteed by the U.S government or by the underlying corporation, however, management believes that credit risk related to these investments is minimal

Stormont-Vail regularly invests its assets limited to use and pension plan assets in hedge funds and funds of hedge funds. As described further in Notes 4 and 10, assets limited as to use and pension plan assets within a few different funds. Management believes that credit risk related to these investments is minimal

Note 12. Commitments and Contingencies

Self-insured professional liability and workers' compensation:

Stormont-Vail is self-insured for professional liability claims (except for claims against employed physicians which are covered by a third-party insurer subject to a $200,000 per occurrence indemnity deductible) to a maximum of $200,000 for each occurrence and $600,000 in the aggregate per year, with excess coverage provided by the State of Kansas Healthcare Stabilization Fund and a commercial insurance company. All professional liability insurance policies are on a claims-made basis. Stormont-Vail has retained professional actuaries to determine funding requirements for the self-insured portion Funded amounts have been placed in a self-insurance trust account that is administered by a trustee. Amounts have also been designated by Stormont-Vail for self-insurance purposes These investments are included with limited use or restricted assets in the accompanying consolidated balance sheets.

Stormont-Vail is self-insured for workers' compensation claims to a maximum of $400,000 per accident, with excess coverage provided by a commercial insurance company Stormont-Vail has purchased a $1,718,000 surety bond accepted by the State of Kansas as required security for the workers' compensation plan.

Note 12. Commitments and Contingencies (Continued)

Stormont-Vail's accrual for self-insured losses is based upon management's estimate of the potential liability for claims made and for claims incurred but not reported through September 30, 2013 Management utilizes services of an independent actuarial firm to develop an estimate of the liability for incurred but not reported professional liabilities Additional claims may be asserted against Stormont-Vail arising from services provided or accidents incurred through September 30, 2013. Management is unable to determine the ultimate cost of the resolution of such potential claims.

As of September 30, 2013 and 2012, Stormont-Vail has recorded a liability of approximately $6,395,000 and $5,194,000, respectively, for estimated self-insured professional liability claims. This represents the discounted present value of the liability The undiscounted liability was approximately $6,717,000 and $5,584,000, respectively for estimated self-insured professional liability claims As of September 30, 2013 and 2012, Stormont-Vail has recorded a liability for approximately $978,000 and $623,000, respectively, for estimated self-insured workers' compensation claims. This represents the undiscounted present value of the liability. Both estimated self-insured professional liability and estimated self-insured workers' compensation claims are included in other accrued expenses on the accompanying consolidated balance sheets Stormont-Vail has recorded accounts receivable under the stop-loss insurance coverage of approximately $919,000 and $864,000 as of September 30, 2013 and 2012, respectively, and these amounts are included in other accounts receivable on the accompanying consolidated balance sheets Operating expenses include costs of claims reported and an estimate of losses incurred but not reported. Expenses relating to these plans were approximately $2,287,000 and $2,542,000 for the years ended September 30, 2013 and 2012, respectively.

Self-insured employee health insurance:

Stormont-Vail is self-insured for its employee health insurance. Stormont-Vail maintains insurance coverage for individual claims which exceed $250,000 per person per year. As of September 30, 2013 and 2012, Stormont-Vail has recorded a liability of approximately $ 4,554,000 and $4,867,000, respectively, for estimated self-insured employee health insurance claims which is included as health insurance accruals on the accompanying consolidated balance sheets Expenses related to this plan were approximately $25,055,000 and $23,706,000 for the years ended September 30, 2013 and 2012, respectively.

Laws and regulations:

The health care industry is subject to numerous laws and regulations of federal, state and local governments. Compliance with such laws and regulations can be subject to future governmental review and interpretation, as well as regulatory actions unknown or unasserted at this time These laws and regulations include, but are not limited to, accreditation, licensure, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in exclusion from government health care program participation, together with the imposition of significant fines and penalties, as well as significant repayment for past reimbursement for patient services received. While Stormont-Vail is subject to similar regulatory reviews, management believes that the outcome of such regulatory reviews will not have a material adverse effect on Stormont-Vail's financial position

Note 12. Commitments and Contingencies (Continued)

CMS RAC Program:

Congress passed the Medicare Modernization Act in 2003, which among other things established a demonstration of The Medicare Recovery Audit Contractor (RAC) program The RAC's identified and corrected a significant amount of improper overpayments to providers. In 2006, Congress passed the Tax Relief and Health Care Act of 2006 which authorized the expansion of the RAC program to all 50 states Stormont-Vail, like similarly situated health care providers, has been subject to such audits and may continue to be subject to additional audits at some time in the future.

Current economic conditions:

Current economic conditions have made it difficult for certain of Stormont-Vail's patients to pay for services rendered As employers make adjustments to health insurance plans or more patients become unemployed, services provided to self-pay and other payers may significantly impact net patient service revenue, which could have an adverse impact on the Stormont-Vail's future operating results Further, the effect of economic conditions on the state may have an adverse effect on cash flows related to the Medicaid program.

Given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values and allowances for accounts and contributions receivable that could negatively impact Stormont-Vail's ability to meet debt covenants or maintain sufficient liquidity

Health care reform:

In March 2010, the Patient Protection and Affordable Care Act (PPACA) was signed into law PPACA will result in sweeping changes across the health care industry, including how care is provided and paid for. A primary goal of this comprehensive reform legislation is to extend health coverage to approximately 32 million uninsured legal U S. residents through a combination of public program expansion and private sector health insurance reforms To fund the expansion of insurance coverage, the legislation contains measures designed to promote quality and cost efficiency in health care delivery and to generate budgetary savings in the Medicare and Medicaid programs. Given that final regulations and interpretive guidelines have yet to be published, Stormont-Vail is unable to fully predict the impact of PPACA on its operations and financial results If the law is implemented as adopted, Stormont-Vail's management expects that in the coming years, patients who were previously uninsured and unable to pay for care will have basic insurance coverage, and amounts for reimbursement for services from both public and private payors will be reduced and made conditional on various quality measures Management of Stormont-Vail is studying and evaluating the anticipated effects and developing strategies needed to prepare for implementation, and is preparing to work cooperatively with other constituents to optimize available reimbursement.

Litigation:

Stormont-Vail is a party to litigation matters and claims, including alleged medical malpractice, arising in the normal course of its operations. In the opinion of management, disposition of these matters will not have a material adverse effect on Stormont-Vail's consolidated financial position or results of operations

Note 13. New and Pending Accounting Pronouncements

In 2013, Stormont-Vail adopted Accounting Standards Update (ASU) 2011-04, *Fair Value Measurement (Topic 820). Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S GAAP and IFRSs.* This ASU was issued to clarify FASB's intent on application of certain aspects of existing fair value measurement requirements and to change certain requirements for measuring fair value and for disclosing information about fair value measurements These changes (mostly applicable to financial instruments in levels 2 and 3) include guidance on measuring the fair value of financial instruments that are managed within a portfolio, application of premiums and discounts, and additional disclosures about fair value measurements. FASB has concluded that this ASU will achieve the objective of developing common fair value measurement and disclosure requirements in U S GAAP and IFRSs The adoption of this ASU resulted in minimal changes to the fair value disclosures of Stormont-Vail, and it had no effect on Stormont-Vail's consolidated balance sheet or consolidated statement of operations.

In 2013, Stormont-Vail adopted ASU No. 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provisions for Bad Debts, and the Allowance for Doubtful Accounts for Certain Healthcare Entities* This ASU requires Stormont-Vail to present the provisions for bad debts associated with patient service revenue as a deduction from patient service revenue. The adoption of this ASU changed where the provision for bad debts was presented within the statement of operations; however, it did not affect operating income or the change in unrestricted net assets All periods presented in these consolidated financial statements and notes to the consolidated financial statement have been reclassified in accordance with the guidance

In December 2011, the Financial Accounting Standards Board (FASB) issued ASU 2011-11, *Balance Sheet (Topic 210). Disclosures about Offsetting Assets and Liabilities.* The amendments in this ASU require an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position An entity is required to apply the amendments for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. An entity should provide the disclosures required by those amendments retrospectively for all comparative periods presented. Management is evaluating the impact this ASU may have on Stormont-Vail's consolidated financial statements

In October 2012, the FASB issued ASU 2012-05, *Statement of Cash Flows· Not-for Profit Entities· Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows.* This ASU requires a not-for-profit entity to classify cash receipts from the sale of donated financial assets consistently with cash donations received in the statement of cash flows if those cash receipts were from the sale of donated financial assets that upon receipt were directed without any not-for-profit entity-imposed limitations for sale and were converted nearly immediately into cash. Accordingly, the cash receipts from the sale of those financial assets should be classified as cash inflows from operating activities, unless the donor restricted the use of the contributed resources to long-term purposes, in which case those cash receipts should be classified as cash flows from financing activities Otherwise, cash receipts from the sale of donated financial assets should be classified as cash flows from investing activities This guidance is effective prospectively for fiscal years, and interim periods within those years, beginning after June 15, 2013 Management is evaluating the impact this ASU may have on Stormont-Vail's consolidated financial statements

Note 13. New and Pending Accounting Pronouncements (Continued)

In February 2013, the FASB issued ASU No. 2013-04, *Liabilities (Topic 405): Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date* (a consensus of the Emerging Issues Task Force) ASU 2013-04 provides guidance for the recognition, measurement and disclosure of obligations resulting from joint and several liability arrangements for which the total amount of the obligation within the scope of this ASU is fixed at the reporting date, except for obligations addressed within existing guidance in U.S GAAP. The guidance requires an entity to measure those obligations as the sum of the amount the reporting entity agreed to pay on the basis of its arrangement among its co-obligors and any additional amount the reporting entity expects to pay on behalf of its co-obligors The guidance in this ASU also requires an entity to disclose the nature and amount of the obligation as well as other information about those obligations The amendments in this ASU are effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. The amendments in this ASU should be applied retrospectively to all prior periods presented for those obligations resulting from joint and several liability arrangements within the ASU's scope that exist at the beginning of an entity's fiscal year of adoption An entity may elect to use hindsight for the comparative periods (if it changed its accounting as a result of adopting the amendments in this ASU) and should disclose that fact. Early adoption is permitted Management is evaluating the impact this ASU may have on Stormont-Vail's consolidated financial statements

In April 2013, the FASB has issued ASU No. 2013-06, *Not-for-Profit Entities (Topic 958) - Services Received from Personnel of an Affiliate* The objective of the amendments in this ASU is to specify the guidance that not-for-profit entities apply for recognizing and measuring services received from personnel of an affiliate. More specifically, the amendments in this ASU apply to not-for-profit entities, including not-for-profit, business-oriented health care entities that receive services from personnel of an affiliate that directly benefit the recipient not-for-profit entity and for which the affiliate does not charge the recipient not-for-profit entity The amendments in this ASU require a recipient not-for-profit entity to recognize all services received from personnel of an affiliate that directly benefit the recipient not-for-profit entity Those services should be measured at the cost recognized by the affiliate for the personnel providing those services. However, if measuring a service received from personnel of an affiliate at cost will significantly overstate or understate the value of the service received, the recipient not-for-profit entity may elect to recognize that service received at either. (*a*) the cost recognized by the affiliate for the personnel providing that service or; (*b*) the fair value of that service. The amendments in this ASU are effective prospectively for fiscal years beginning after June 15, 2014, and interim and annual periods thereafter A recipient not-for-profit entity may apply the amendments using a modified retrospective approach under which all prior periods presented upon the date should be adjusted, but no adjustment should be made to the beginning balance of net assets of the earliest period presented. Early adoption is permitted Management is evaluating the impact this ASU may have on Stormont-Vail's consolidated financial statements

Supplementary Information

Stormont-Vail HealthCare, Inc.
and Affiliates

Consolidating Balance Sheet
September 30, 2013
With Comparative Totals for September 30, 2012

Assets	Stormont-Vail HealthCare, Inc.	Stormont-Vail Foundation
Current assets		
Cash and cash equivalents	$ 90,355,232	$ 727,459
Short-term investments	18,418,321	338,653
Limited use or restricted assets	12,097,431	-
Patient accounts receivable, net	72,990,806	-
Other accounts receivable	2,625,175	202,208
Due from related parties	257,519	1,000
Inventories	5,114,532	-
Other current assets	5,676,443	7,873
Total current assets	207,535,459	1,277,193
Limited use or restricted assets.		
Under bond trust indentures, held by Trustee	5,693,121	-
Board-designated for capital improvements	137,341,268	-
Restricted by professional liability insurance security agreements	5,468,545	-
Restricted by donors or grantors	855,523	15,102,389
Total limited use or restricted assets	149,358,457	15,102,389
Less current portion	12,097,431	-
Limited use or restricted assets, net	137,261,026	15,102,389
Property, plant and equipment	421,127,116	31,746
Less accumulated depreciation	224,226,668	31,408
Property, plant and equipment, net	196,900,448	338
Other assets:		
Debt issue costs, net	1,825,738	-
Investments in affiliates	18,779,144	-
Intangible assets, net	2,853,469	-
Miscellaneous, primarily employee advances	77,256	-
Total other assets	23,535,607	-
	$ 565,232,540	$ 16,379,920

* Other Affiliates includes Dechairo Hospital, Inc., KOSM, Inc., UAT, Inc. and Urish Medical Plaza, L.L.C.

Schedule 1

Stormont-Vail, Inc.	Century Health Solutions, Inc.	Other Affiliates*	Eliminations	Total 2013	Total 2012
$ 1,337,745	$ 86,688	$ 388,005	$ -	$ 92,895,129	$ 88,031,207
-	-	-	-	18,756,974	61,590,177
-	-	-	-	12,097,431	10,372,812
668,795	83,385	-	-	73,742,986	74,313,362
39,350	-	-	-	2,866,733	2,822,540
-	31,554	-	(290,073)	-	-
558,651	-	-	-	5,673,183	6,498,729
498,965	35,428	22,226	-	6,240,935	5,323,533
3,103,506	237,055	410,231	(290,073)	212,273,371	248,952,360
-	-	-	-	5,693,121	10,958,351
6,159,464	-	-	-	143,500,732	94,062,594
-	-	-	-	5,468,545	5,075,487
-	-	-	-	15,957,912	14,444,766
6,159,464	-	-	-	170,620,310	124,541,198
-	-	-	-	12,097,431	10,372,812
6,159,464	-	-	-	158,522,879	114,168,386
3,881,473	60,942	2,188,755	-	427,290,032	411,224,758
1,530,260	54,097	555,208	-	226,397,641	212,748,638
2,351,213	6,845	1,633,547	-	200,892,391	198,476,120
-	-	-	-	1,825,738	1,928,737
3,223,571	-	-	(16,299,571)	5,703,144	6,860,142
-	-	390,933	-	3,244,402	938,546
1,000	-	-	-	78,256	30,345
3,224,571	-	390,933	(16,299,571)	10,851,540	9,757,770
$ 14,838,754	$ 243,900	$ 2,434,711	$ (16,589,644)	$ 582,540,181	$ 571,354,636

Stormont-Vail HealthCare, Inc.
and Affiliates

Consolidating Balance Sheet
September 30, 2013
With Comparative Totals for September 30, 2012

Liabilities, Stockholders' Equity and Net Assets	Stormont-Vail HealthCare, Inc.	Stormont-Vail Foundation
Current liabilities		
Current portion of long-term debt	$ 3,980,150	$ -
Current portion of payable under employee agreements	397,475	-
Accounts payable	16,522,272	88,103
Accrued expenses		
Interest	2,279,118	-
Compensation	30,557,585	-
Health insurance	4,554,465	-
Other	7,373,199	5,400
Reserve for third-party payors	2,527,462	-
Due to related parties	26,355	147,503
Total current liabilities	68,218,081	241,006
Long-term debt, less current portion	141,344,744	-
Long-term payable under employee agreements, less current portion	390,505	-
Accrued pension, less current portion	72,770,104	-
Total liabilities	282,723,434	241,006
Stockholders' equity	-	-
Net assets		
Unrestricted	281,653,583	1,036,525
Noncontrolling interest, unrestricted	-	-
Temporarily restricted	722,664	2,885,273
Permanently restricted	132,859	12,217,116
Total net assets	282,509,106	16,138,914
	$ 565,232,540	$ 16,379,920

* Other Affiliates includes Dechairo Hospital, Inc., KOSM, Inc., UAT, Inc and Urish Medical Plaza, L.L.C.

Stormont-Vail, Inc.	Century Health Solutions, Inc.	Other Affiliates*	Eliminations	Total 2013	Total 2012
$ -	$ -	$ 248,774	$ -	$ 4,228,924	$ 3,888,872
-	-	-	-	397,475	775,248
163,199	24,498	-	84,488	16,882,560	14,254,991
-	-	-	-	2,279,118	2,275,207
58,911	165,612	-	-	30,782,108	33,366,441
-	-	-	-	4,554,465	4,866,846
40,471	1,102	-	-	7,420,172	6,969,385
-	-	-	-	2,527,462	5,418,036
200,703	-	-	(374,561)	-	-
463,284	191,212	248,774	(290,073)	69,072,284	71,815,026
-	-	-	-	141,344,744	145,486,140
-	-	-	-	390,505	1,326,641
-	-	-	-	72,770,104	123,380,873
463,284	191,212	248,774	(290,073)	283,577,637	342,008,680
14,375,470	52,688	2,185,937	(16,614,095)	-	-
-	-	-	-	282,690,108	213,760,090
-	-	-	314,524	314,524	1,141,100
-	-	-	-	3,607,937	2,972,254
-	-	-	-	12,349,975	11,472,512
-	-	-	314,524	298,962,544	229,345,956
$ 14,838,754	$ 243,900	$ 2,434,711	$ (16,589,644)	$ 582,540,181	$ 571,354,636

Stormont-Vail HealthCare, Inc.
and Affiliates

Consolidating Statement of Operations
Year Ended September 30, 2013
With Comparative Totals for Year Ended September 30, 2012

	Stormont-Vail HealthCare, Inc.	Stormont-Vail Foundation
Operating revenues		
Patient service revenue, net of contractual adjustments	$ 544,792,431	$ -
Less provision for uncollectible accounts	34,638,387	-
Net patient service revenue	510,154,044	-
Other operating revenue	5,843,968	-
Net assets released from restriction for operating activities	27,666	387,393
Total operating revenues	516,025,678	387,393
Operating expenses		
Salaries, wages and employee benefits	313,985,015	355,791
Supplies and other expenses	148,838,926	42,545
Professional services	6,293,984	17,128
Interest	6,849,253	-
Depreciation and amortization	19,871,902	188
Program expense	27,666	529,538
Total operating expenses	495,866,746	945,190
Income (loss) from operations	20,158,932	(557,797)
Nonoperating gains (losses)		
Investment income (loss)		
Interest and dividend income and realized gains (losses) on sales of investments	(169,168)	558,825
Current year change in net unrealized gains (losses) on trading securities	9,013,817	(40,973)
Investment income	8,844,649	517,852
Equity in net gains of unconsolidated affiliates	(283,177)	-
Income tax benefit (expense) and other income (expense), net	(134,513)	160,004
Gain (loss) on disposition of unconsolidated affiliates	(280,026)	-
Change in fair value of interest rate swap	-	-
Total nonoperating gains, net	8,146,933	677,856
Excess of revenues over (under) expenses	28,305,865	120,059
Less excess of revenue over expenses attributable to noncontrolling interest	-	-
Excess of revenues over (under) expenses attributable to controlling interest	28,305,865	120,059
Change in unrecognized funded status of pension plan	39,923,803	-
Unrestricted contributions to (from) affiliates	(420,000)	420,000
Contributions to (from) affiliates for capital expenditures	116,852	(116,852)
Merger of ExcelIENT into HealthCare	-	-
Dividends paid to shareholders'	-	-
Net assets released from restriction for capital expenditures	-	116,852
Donation of property and equipment received	173,258	-
Capital contributions	-	-
Equity in net income (loss) of consolidated affiliates	290,181	-
Increase (decrease) in unrestricted net assets/equity	$ 68,389,959	$ 540,059

* Other Affiliates includes Dechairo Hospital, Inc , KOSM, Inc , UAT, Inc and Urish Medical Plaza, L L C

Schedule 2

ExcelIENT Surgery Center, L.L.C.	Stormont-Vail, Inc.	Century Health Solutions, Inc.	Other Affiliates *	Eliminations	Total 2013	Total 2012
$ -	$ 3,041	$ -	$ -	$ -	$ 544,795,472	$ 543,203,635
-	-	-	-	-	34,638,387	33,564,396
-	3,041	-	-	-	510,157,085	509,639,239
-	1,778,470	948,416	335,144	(354,326)	8,551,672	22,679,375
-	-	-	-	-	415,059	641,742
-	1,781,511	948,416	335,144	(354,326)	519,123,816	532,960,356
-	1,246,904	899,583	-	-	316,487,293	325,654,139
-	652,556	364,404	83,464	(354,326)	149,627,569	141,094,248
-	38,442	7,235	-	-	6,356,789	6,311,186
-	-	-	8,182	-	6,857,435	6,370,339
-	92,266	5,183	515,908	-	20,485,447	19,885,154
-	-	-	-	-	557,204	767,002
-	2,030,168	1,276,405	607,554	(354,326)	500,371,737	500,082,068
-	(248,657)	(327,989)	(272,410)	-	18,752,079	32,878,288
-	51,157	-	-	-	440,814	7,120,801
-	-	-	-	-	8,972,844	3,079,145
-	51,157	-	-	-	9,413,658	10,199,946
-	813,188	-	-	-	530,011	2,114,647
-	174,675	125,658	-	-	325,824	(995,726)
-	-	-	-	-	(280,026)	12,984,048
-	-	-	-	-	-	118,520
-	1,039,020	125,658	-	-	9,989,467	24,421,435
-	790,363	(202,331)	(272,410)	-	28,741,546	57,299,723
-	-	-	-	(25,441)	(25,441)	(233,320)
-	790,363	(202,331)	(272,410)	(25,441)	28,716,105	57,066,403
-	-	-	-	-	39,923,803	(14,416,272)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(1,696,522)	-	-	-	1,696,522	-	-
-	(1,300,000)	-	(73,125)	1,373,125	-	-
-	-	-	-	-	116,852	99,947
-	-	-	-	-	173,258	261,469
-	-	184,739	-	(184,739)	-	-
-	(121,993)	-	-	(168,188)	-	-
$ (1,696,522)	$ (631,630)	$ (17,592)	$ (345,535)	$ 2,691,279	$ 68,930,018	$ 43,011,547

Stormont-Vail HealthCare, Inc.
and Affiliates

Consolidating Statement of Changes in Net Assets/Stockholders' Equity
Year Ended September 30, 2013
With Comparative Totals for Year Ended September 30, 2012

	Stormont-Vail HealthCare, Inc.	Stormont-Vail Foundation
Unrestricted net assets·		
Excess of revenues over (under) expenses	$ 28,305,865	$ 120,059
Change in unrecognized funded status of pension plan	39,923,803	-
Income associated with noncontrolling interests	-	-
Unrestricted contributions to (from) affiliates	(420,000)	420,000
Contributions to (from) affiliates for capital expenditures	116,852	(116,852)
Merger of ExcellENT into HeatlhCare	-	-
Dividends paid to shareholders'	-	-
Net assets released from restriction for capital expenditures	-	116,852
Donation of property and equipment received	173,258	-
Capital contributions	-	-
Equity in net income (loss) of consolidated affiliates	290,181	-
Increase (decrease) in unrestricted net assets/equity	68,389,959	540,059
Temporarily restricted net assets		
Contributions	57,061	687,237
Change of restriction by donor	-	(40,000)
Investment income	(4,691)	525,294
Change in net unrealized gains (losses) on investments	-	(57,307)
Net assets released from restriction for operating activities	(27,666)	(387,393)
Net assets released from restriction for capital expenditures	-	(116,852)
Increase (decrease) in temporarily restricted net assets	24,704	610,979
Permanently restricted net assets		
Contributions, net	-	205,000
Change of restriction by donor	-	40,000
Investment income	-	632,463
Increase in permanently restricted net assets	-	877,463
Noncontrolling interest - unrestricted net assets, income associated with noncontrolling interests	-	-
Increase (decrease) in net assets/equity	68,414,663	2,028,501
Net assets/stockholders' equity, beginning of year	214,094,443	14,110,413
Net assets/stockholders' equity, end of year	$ 282,509,106	$ 16,138,914

* Other Affiliates includes Dechairo Hospital, Inc , KOSM, Inc , UAT, Inc and Urish Medical Plaza, L L C

Schedule 3

ExcelIENT Surgery Center, L.L.C.	Stormont-Vail, Inc.	Century Health Solutions, Inc.	Other Affiliates*	Eliminations	Total 2013	Total 2012
$ -	$ 790,363	$ (202,331)	$ (272,410)	$ -	$ 28,741,546	$ 57,299,723
-	-	-	-	-	39,923,803	(14,416,272)
-	-	-	-	(25,441)	(25,441)	(233,320)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(1,696,522)	-	-	-	1,696,522	-	-
-	(1,300,000)	-	(73,125)	1,373,125	-	-
-	-	-	-	-	116,852	99,947
-	-	-	-	-	173,258	261,469
-	-	184,739	-	(184,739)	-	-
-	(121,993)	-	-	(168,188)	-	-
(1,696,522)	(631,630)	(17,592)	(345,535)	2,691,279	68,930,018	43,011,547
-	-	-	-	-	744,298	755,985
-	-	-	-	-	(40,000)	4,529
-	-	-	-	-	520,603	15,473
-	-	-	-	-	(57,307)	583,641
-	-	-	-	-	(415,059)	(641,742)
-	-	-	-	-	(116,852)	(99,947)
-	-	-	-	-	635,683	617,939
-	-	-	-	-	205,000	189,600
-	-	-	-	-	40,000	(4,529)
-	-	-	-	-	632,463	1,192,944
-	-	-	-	-	877,463	1,378,015
-	-	-	-	(826,576)	(826,576)	(476,537)
(1,696,522)	(631,630)	(17,592)	(345,535)	1,864,703	69,616,588	44,530,964
1,696,522	15,007,100	70,280	2,531,472	(18,164,274)	229,345,956	184,814,992
$ -	$ 14,375,470	$ 52,688	$ 2,185,937	$ (16,299,571)	$ 298,962,544	$ 229,345,956

Stormont-Vail HealthCare, Inc.
(Parent Company Only)

Schedule 4

Revenue and Expenses
Years Ended September 30, 2013 and 2012

	2013			
	In-Patient	Out-Patient	Total	2012
Revenue.				
Revenue from services to patients				
Anesthesia	$ 5,279,350	$ 6,977,130	$ 12,256,480	$ 12,549,296
Cardiovascular services	57,941,293	68,030,451	125,971,744	131,873,001
Critical care	31,357,866	308,485	31,666,351	34,924,287
Emergency room	19,325,128	44,000,407	63,325,535	59,493,150
Endoscopy and pain management	2,009,390	5,177,008	7,186,398	7,493,929
Enterostomal therapy	1,218,235	202,172	1,420,407	978,029
Laboratory	75,667,722	37,769,780	113,437,502	119,471,711
Materials management	45,788,631	2,914,046	48,702,677	50,686,160
Medical/surgical	84,644,146	11,081,522	95,725,668	95,785,511
Neonatal intensive care unit	33,440,275	-	33,440,275	33,546,348
Obstetrics/gynecology	19,319,681	1,855,347	21,175,028	21,685,996
Pediatric and adolescent	4,696,957	1,085,725	5,782,682	5,363,670
Perfusion	5,023,412	54,500	5,077,912	6,366,573
Pharmacy and IV therapy	78,778,706	63,197,000	141,975,706	127,629,893
Post anesthesia care unit	4,009,142	6,973,916	10,983,058	11,024,357
Psychiatric	25,588,819	1,356,644	26,945,463	29,993,790
Radiology	43,928,928	132,707,177	176,636,105	138,533,515
Rehabilitation services	7,616,627	4,341,404	11,958,031	10,107,416
Respiratory care	44,420,855	2,517,162	46,938,017	48,855,626
Sleep disorders center	11,368	5,470,931	5,482,299	5,422,319
Surgery	91,022,715	74,031,269	165,053,984	167,705,472
Medical services division	6,036,383	305,919,491	311,955,874	348,008,484
Woundcare	-	4,088,309	4,088,309	3,841,406
Less provision for charity care relating to classifications above			(31,913,392)	(34,289,693)
Total revenue from services to patients - forward			$ 1,435,272,113	$ 1,437,050,246

(Continued)

Stormont-Vail HealthCare, Inc.
(Parent Company Only)

Schedule 4, Cont

Revenue and Expenses
Years Ended September 30, 2013 and 2012

	2013	2012
Total revenue from services to patients - forwarded	**$ 1,435,272,113**	$ 1,437,050,246
Less		
Courtesy and other allowances	**1,726,758**	1,169,790
Contractual adjustments		
Medicare	**515,122,807**	509,925,873
Medicaid	**131,023,448**	132,661,093
Blue Cross	**143,486,658**	153,211,529
Tri-Care	**24,347,764**	24,042,723
Other	**74,772,247**	74,037,932
Provision for uncollectible accounts	**34,638,387**	33,363,039
	925,118,069	928,411,979
Net revenue from services to patients	**510,154,044**	508,638,267
Other operating revenue		
Nutritional services	**2,179,082**	2,274,823
Education services/School of Nursing	**2,171,316**	2,072,404
Pharmacy and IV therapy	**438,469**	8,865
Investment income (loss)	**(352,505)**	3,917,220
Maternal fetal medicine	**94,702**	105,775
Lifeline	**433,790**	453,058
Electronic health records incentive payments	**-**	6,764,958
Other	**879,114**	1,318,073
Total other operating revenue	**5,843,968**	16,915,176
Net assets released from restriction for operating activities	**27,666**	40,526
Total operating revenue	**$ 516,025,678**	$ 525,593,969

(Continued)

Stormont-Vail HealthCare, Inc.
(Parent Company Only)

Schedule 4, Cont

Revenue and Expenses
Years Ended September 30, 2013 and 2012

	2013	2012
Operating expenses		
Salaries	$ 256,236,421	$ 256,277,576
Employee benefits	57,748,594	65,594,409
Supplies	87,212,543	84,415,672
Other expenses	57,170,124	50,213,950
Utilities	4,456,259	4,416,119
Professional services	6,293,984	5,810,028
Interest	6,849,253	6,354,150
Depreciation and amortization of intangibles	19,871,902	19,068,603
Program expense	27,666	40,526
Total operating expenses	495,866,746	492,191,033
Income from operations	20,158,932	33,402,936
Nonoperating gains (losses)		
Investment income (loss)		
Interest and dividend income and realized gains (losses) on sale of investments	(169,168)	6,635,802
Current year change in net unrealized gains on trading securities	9,013,817	2,980,237
Investment income	8,844,649	9,616,039
Equity in net gains (losses) of unconsolidated affiliates	(283,177)	281,058
Other income, net	(134,513)	37,897
Gain (loss) on disposition of unconsolidated affiliates	(280,026)	11,510,587
Change in fair value of interest rate swap	-	118,520
Nonoperating gains, net	8,146,933	21,564,101
Excess of revenues over expenses	28,305,865	54,967,037
Change in unrecognized funded status of retirement plan	39,923,803	(14,416,272)
Contributions to affiliate	(420,000)	(360,000)
Contributions from affiliate for capital expenditures	116,852	99,947
Donation of property and equipment received	173,258	261,469
Equity in net income of consolidated affiliates	290,181	2,041,068
Increase in unrestricted net assets	$ 68,389,959	$ 42,593,249

Stormont-Vail HealthCare, Inc.
(Parent Company Only)

Schedule 5

Operating Expenses
(Excluding Depreciation and Amortization, Interest and Program Expense)

Year Ended September 30, 2013
With Comparative Totals for Year Ended September 30, 2012

	2013				
	Salaries, Wages and Employee Benefits	Supplies and Other Expenses	Professional Services	Total	Total 2012
Administration	$ 5,493,344	$ 11,808,722	$ 309,690	$ 17,611,756	$ 12,484,278
Anesthesia	-	560,489	1,910,338	2,470,827	2,583,112
Cardiovascular services	4,431,709	11,103,356	-	15,535,065	15,181,134
Case management	1,945,370	9,037	-	1,954,407	1,959,986
Critical care	5,407,348	952,718	-	6,360,066	6,857,409
Educational services	1,429,056	136,185	951	1,566,192	1,188,780
Emergency room	6,531,929	581,429	-	7,113,358	7,340,624
Employee benefits	62,493,884	181,164	-	62,675,048	78,375,493
Endoscopy and pain management	634,245	441,411	-	1,075,656	1,067,177
Environmental services	2,479,609	1,174,190	-	3,653,799	3,567,249
Enterostomal therapy	287,964	10,058	-	298,022	279,390
Facilities management	2,909,239	5,256,287	-	8,165,526	7,985,670
Fiscal operations	6,132,162	5,116,854	-	11,249,016	11,038,388
Health connections	1,073,006	11,332	-	1,084,338	1,094,816
Health sciences library	158,633	119,579	-	278,212	351,277
Human resources	1,483,088	258,218	-	1,741,306	1,630,573
Information systems	6,100,202	9,579,799	-	15,680,001	13,461,888
Laboratory	7,178,757	8,177,690	553,790	15,910,237	16,090,598
Laundry-linen services	469,605	296,457	-	766,062	754,222
Marketing	579,506	866,338	25,571	1,471,415	1,725,788
Materials management	1,442,852	4,503,524	-	5,946,376	6,385,672
Medical records and transcription	1,360,668	715,899	-	2,076,567	2,298,006
Medical staff office	248,736	24,226	36,000	308,962	310,511
Medical/surgical	22,210,205	1,195,660	-	23,405,865	25,261,877
Medical services division	114,233,636	22,067,749	1,238,000	137,539,385	142,162,451
Neonatal intensive care unit	5,402,502	232,491	142,969	5,777,962	5,792,362
Nursing	1,816,250	404,825	-	2,221,075	2,045,712
Nutritional services	2,298,486	3,194,452	-	5,492,938	5,368,264
Obstetrics/gynecology	4,930,417	456,664	85,000	5,472,081	5,442,850
Operating expenses forward	$ 271,162,408	$ 89,436,803	$ 4,302,309	$ 364,901,520	$ 380,085,557

(Continued)

Stormont-Vail HealthCare, Inc.
(Parent Company Only)

Schedule 5, Cont

Operating Expenses
(Excluding Depreciation and Amortization, Interest and Program Expense)

Year Ended September 30, 2013
With Comparative Totals for Year Ended September 30, 2012

	Salaries, Wages and Employee Benefits	Supplies and Other Expenses	Professional Services	2013 Total	2012 Total
Operating expenses forwarded	$ 271,162,408	$ 89,436,803	$ 4,302,309	$ 364,901,520	$ 380,085,557
Pediatric and adolescent	2,141,394	119,166	767,474	3,028,034	3,314,965
Perfusion	449,296	430,782	-	880,078	1,027,381
Pharmacy and IV therapy	6,392,706	30,926,335	-	37,319,041	22,445,606
Post anesthesia care unit	1,173,732	37,137	-	1,210,869	1,382,188
Psychiatric	4,300,005	437,369	-	4,737,374	4,722,182
Radiology	5,179,569	3,157,064	-	8,336,633	6,197,869
Registration and pre-access	2,844,199	74,652	-	2,918,851	2,771,666
Rehabilitation services	2,402,839	181,398	-	2,584,237	2,277,497
Respiratory care	2,965,661	328,954	-	3,294,615	3,190,433
Risk management and infection control	566,535	9,687	-	576,222	571,791
Safety and employee health	175,161	772,085	-	947,246	287,587
School of Nursing	1,537,065	51,603	-	1,588,668	1,498,627
Security	1,328,135	40,274	-	1,368,409	1,278,718
Sleep disorders center	743,828	56,549	-	800,377	792,642
Surgery	8,323,406	21,559,454	354,000	30,236,860	30,652,430
Telecommunications	392,623	565,765	-	958,388	875,290
Transportation	702,297	279,668	-	981,965	966,009
Volunteers	313,594	45,188	-	358,782	334,014
Women's center	890,562	328,993	870,201	2,089,756	2,055,302
Total	$ 313,985,015	$ 148,838,926	$ 6,293,984	$ 469,117,925	$ 466,727,754

Stormont-Vail HealthCare, Inc.
(Parent Company Only)

Schedule 6

Patient Accounts Receivable
September 30, 2013 and 2012

An aging of patient receivables at September 30, 2013, with comparative 2012 totals, follows:

	Private Pay	Third Party	Medical Services Division	Totals 2013	Totals 2012
Current	$ 7,048,848	$ 86,886,227	$ 26,592,579	$ 120,527,654	$ 118,512,079
31-60 days	6,897,203	13,929,185	3,347,660	24,174,048	27,324,323
61-90 days	5,365,728	7,786,930	3,012,764	16,165,422	14,893,629
91-150 days	8,250,529	6,650,748	4,258,194	19,159,471	14,503,911
151 days and over	11,673,155	10,461,240	49,510,720	71,645,115	56,411,783
Gross patient accounts receivable				251,671,710	231,645,725
Less allowance for contractual adjustments				(102,402,414)	(91,462,124)
Patient accounts receivable, net of allowance for contractual adjustments				149,269,296	140,183,601
Less allowance for uncollectible accounts				(76,278,490)	(67,001,637)
Patient accounts receivable, net				$ 72,990,806	$ 73,181,964