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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)	OMB No 1545-0047 <div> <div>2012</div> <div>Open to Public Inspection</div> </div>
	▶ The organization may have to use a copy of this return to satisfy state reporting requirements	

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

B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization WILSON MEDICAL CENTER INC		D Employer identification number 56-6024172
	Doing Business As		
	Number and street (or P O box if mail is not delivered to street address) 1705 SOUTH TARBORO STREET	Room/suite	E Telephone number (252) 399-8040
	City or town, state or country, and ZIP + 4 WILSON, NC 27893		G Gross receipts \$ 291,736,055
	F Name and address of principal officer RICHARD E HUDSON 1705 SOUTH TARBORO STREET WILSON, NC 27893		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No" attach a list (see instructions)

I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (Insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(c) Group exemption number	
J Website: WWW WILMED ORG			
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other		L Year of formation 1964	M State of legal domicile NC

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities <u>TO DELIVER QUALITY HEALTH CARE FOR THE PEOPLE OF WILSON COUNTY AND NEIGHBORING COMMUNITIES</u>		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	14
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	14
	5 Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	1,560
6 Total number of volunteers (estimate if necessary)	6	201	
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	177,279	
b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	361,685	98,115
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	162,514,594	162,304,285
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,369,693	7,923,289
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	0	0
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	165,245,972	170,325,689
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	5,853	7,959
	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)	68,763,583	67,497,921
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	94,779,591	96,881,748
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	163,549,027	164,387,628
	19 Revenue less expenses Subtract line 18 from line 12	1,696,945	5,938,061
	Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year
21 Total liabilities (Part X, line 26)		219,708,174	229,516,205
22 Net assets or fund balances Subtract line 21 from line 20		57,236,497	57,048,457
22 Net assets or fund balances Subtract line 21 from line 20		162,471,677	172,467,748
22 Net assets or fund balances Subtract line 21 from line 20			

Part II Signature Block

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

Sign Here	***** Signature of officer			2014-08-12 Date	
	RICHARD E HUDSON PRESIDENT Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name LORI L BAILEY		Preparer's signature		Date
	Check <input type="checkbox"/> if self-employed			PTIN P01288969	
	Firm's name ▶ MCGLADREY LLP			Firm's EIN ▶ 42-0714325	
	Firm's address ▶ 300 NORTH 3RD STREET FIFTH FLOOR WILMINGTON, NC 28401			Phone no (910) 762-9671	

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
	<p>WILSON MEDICAL CENTER, INC DELIVERS QUALITY HEALTH CARE FOR THE PEOPLE OF WILSON COUNTY AND NEIGHBORING COMMUNITIES IN KEEPING WITH OUR COMMITMENT TO SERVE ALL PEOPLE OF OUR COMMUNITY, WE RECOGNIZE THAT NOT ALL INDIVIDUALS CAN PURCHASE ESSENTIAL MEDICAL SERVICES THEREFORE, FREE AND/OR SUBSIDIZED CARE, CARE PROVIDED TO PERSONS COVERED BY GOVERNMENTAL PROGRAMS AT BELOW COST, HEALTH PROGRAMS AND ACTIVITIES ARE CONSIDERED WHERE THE NEED AND/OR INDIVIDUAL'S INABILITY TO PAY COEXISTS SUCH ACTIVITIES AVAILABLE TO THE COMMUNITY INCLUDE WELLNESS PROGRAMS, COMMUNITY EDUCATION PROGRAMS, SPECIAL PROGRAMS FOR UNDERSERVED AUDIENCES AND A BROAD RANGE OF SUPPORT THROUGH MANY MORE COMMUNITY SERVICE EVENTS AND ACTIVITIES</p>

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 \$ 152,297,306 including grants of \$ 7,959) (Revenue \$ 161,837,720)
	WILSON MEDICAL CENTER, INC SERVED 7,875 INPATIENTS AND RECEIVED MORE THAN 98,300 VISITS FOR HEALTHCARE SERVICES PROVIDED ON AN OUTPATIENT BASIS AND 48,119 VISITS FOR EMERGENCY SERVICES REIMBURSEMENT FROM GOVERNMENT SOURCES FOR MEDICARE AND MEDICAID PATIENTS WAS \$6 8 MILLION LESS THAN THE COST OF PROVIDING THOSE SERVICES THE COST OF SERVICES DEEMED CHARITY CARE (FOR THOSE UNABLE TO PAY) WAS \$2 5 MILLION AND BAD DEBTS (FOR THOSE UNWILLING TO PAY) WAS \$10 0 MILLION COMMUNITY BENEFIT/HEALTH PROGRAMS COST THE HOSPITAL \$2 0 MILLION




















[illegible][illegible]

4d	Other program services (Describe in Schedule O)				
	(Expenses \$		including grants of \$) (Revenue \$)

4e	Total program service expenses	152,297,306
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Form 990 (2012)

Part IV Checklist of Required Schedules

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

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . .	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		No
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> . . .	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	143	
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	1,560	
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	14	
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	14	
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	Yes
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	Yes

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	NC , CA
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)	
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization	HEALTHCARE FOUNDATION OF WILSON 1705 SOUTH TARBORO STREET WILSON, NC (252) 399-8040

Part VII

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

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

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

- 1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year
- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) CARROLL COLEMAN SECRETARY	1 00	X						0	0	0
(2) WILLIAM BYNUM MD MEMBER	1 00	X						0	0	0
(3) JONATHON DEWALD MD MEMBER	1 00	X						0	0	0
(4) THOMAS LUCAS MEMBER	1 00	X						0	0	0
(5) JAMES PRIDGEN CHAIRMAN	1 00	X						0	0	0
(6) CARLETHA WARD TREASURER	1 00	X						0	0	0
(7) LEESA LAWRENCE MD MEMBER	1 00	X						0	0	0
(8) PAGE THOMAS SMITH VICE CHAIRMAN	1 00	X						0	0	0
(9) REV WILLIAM M PRESNELL MEMBER	1 00	X						0	0	0
(10) TOMMY SHINGLETON III MEMBER	1 00	X						0	0	0
(11) SHERYLETTA LACEWELL MEMBER	1 00	X						0	0	0
(12) DAVID WEST MEMBER	1 00	X						0	0	0
(13) JOHN TILTON MEMBER	1 00	X						0	0	0
(14) RICHARD HUDSON PRESIDENT	40 00			X				528,740	0	28,806
(15) LYNN LAMBERT CHIEF FINANCIAL OFFICER	40 00			X				197,448	0	30,498
(16) DENISE O'HARA VP HUMAN RESOURCES	40 00			X				172,204	0	29,193
(17) RICK GUARINO MD VP MEDIAL AFFAIRS	40 00			X				217,096	0	29,253

Part VII

1b	Sub-Total			
c	Total from continuation sheets to Part VII, Section A			
d	Total (add lines 1b and 1c)	2,721,899	0	232,176

2 Total number of individuals (including but not limited to those listed in Item 1) who received more than \$100,000 of reportable compensation from the organization. 37

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

Section B. Independent Contractors

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

(A)	(B)	(C)
Name and business address	Description of services	Compensation
CC STAFFING INC 6551 PARK OF COMMERCE BLVD STE 200 BOCA RATON FL 33487	CONTRACT STAFFING	3,043,387
VIDANT HEALTH 2100 STANTONSBURG ROAD GREENVILLE NC 27834	HOSPITALIST	2,689,349
AMERICAN RED CROSS - WILSON CHAPTER 703 NASH STREET NW WILSON NC 27893	BLOOD PRODUCT PROCESSING	1,431,595
SHELCO INC 5016 PARKWAY PLAZA BLVD 100 CHARLOTTE NC 28217	BUILDING CONTRACTOR	933,227
OUTSOURCE RECEIVABLE SERVICES 153 HELSABECK ROAD KING NC 27021	COLLECTIONS	832,294

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 39

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	98,115			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f		98,115			
Program Service Revenue	2a	PATIENT REVENUE	Business Code				
			621110	159,019,972	159,019,972		
	b	FOOD & NUTRITION	621110	1,211,128	1,211,128		
	c	PARTNERSHIP INCOME RELATED TO PRO	621110	299,781	299,781		
	d	OUTSIDE LAB & RADIOLOGY	621500	168,544		168,544	
	e	PARTNERSHIP INCOME	541900	8,735		8,735	
	f	All other program service revenue		1,596,125	1,596,125		
	g	Total. Add lines 2a-2f		162,304,285			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		2,070,082		2,070,082	
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6a	Gross rents	(i) Real	(ii) Personal			
		b	Less rental expenses				
		c	Rental income or (loss)				
	d	Net rental income or (loss)					
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
			127,263,573				
		b	Less cost or other basis and sales expenses		289,286		
		c	Gain or (loss)	6,142,493	-289,286		
	d	Net gain or (loss)		5,853,207	-289,286	6,142,493	
	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		170,325,689	161,837,720	177,279	8,212,575	

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

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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.	7,959	7,959		
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.	1,312,229	413,837	898,392	
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.	54,047,627	49,329,470	4,718,157	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	818,830	747,349	71,481	
9	Other employee benefits.	7,725,940	7,051,494	674,446	
10	Payroll taxes.	3,593,295	3,279,614	313,681	
11	Fees for services (non-employees):				
a	Management.				
b	Legal.	415,123		415,123	
c	Accounting.	75,784		75,784	
d	Lobbying.				
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.	329,644		329,644	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	5,833,069	5,833,069		
12	Advertising and promotion.	301,464		301,464	
13	Office expenses.	944,514	657,846	286,668	
14	Information technology.	789,239	148,264	640,975	
15	Royalties.				
16	Occupancy.	2,739,762	2,500,591	239,171	
17	Travel.	93,491	82,979	10,512	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	154,346	139,933	14,413	
20	Interest.	1,840,160		1,840,160	
21	Payments to affiliates.	286,193	286,193		
22	Depreciation, depletion, and amortization.	9,086,388	9,086,388		
23	Insurance.	1,042,618		1,042,618	
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	BAD DEBT	36,679,122	36,679,122		
b	MEDICAL SUPPLIES	22,153,402	22,153,402		
c	DRUGS	5,828,307	5,828,307		
d	REPAIRS AND MAINENANCE	4,258,274	4,253,481	4,793	
e	All other expenses	4,030,848	3,818,008	212,840	
25	Total functional expenses. Add lines 1 through 24e.	164,387,628	152,297,306	12,090,322	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		3,611,486	1	5,262,830
	2	Savings and temporary cash investments		3,505,591	2	6,598
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		24,905,316	4	26,152,520
	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		10,393,834	7	13,722,378
	8	Inventories for sale or use		4,156,902	8	3,830,714
	9	Prepaid expenses and deferred charges		1,422,169	9	1,521,308
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 181,678,501			
	b	Less: accumulated depreciation	10b 117,834,956	66,964,782	10c	63,843,545
	11	Investments—publicly traded securities			11	
	12	Investments—other securities. See Part IV, line 11		100,889,475	12	108,141,459
	13	Investments—program-related. See Part IV, line 11		319,689	13	264,282
	14	Intangible assets			14	
	15	Other assets. See Part IV, line 11		3,538,930	15	6,770,571
	16	Total assets. Add lines 1 through 15 (must equal line 34)		219,708,174	16	229,516,205
Liabilities	17	Accounts payable and accrued expenses		8,182,359	17	6,493,104
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		32,561,689	20	29,796,796
	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		4,859	23	0
	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		16,487,590	25	20,758,557
	26	Total liabilities. Add lines 17 through 25		57,236,497	26	57,048,457
Net Assets or Fund Balances		Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets		162,471,677	27	172,467,748
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		162,471,677	33	172,467,748
	34	Total liabilities and net assets/fund balances		219,708,174	34	229,516,205

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	170,325,689
2	Total expenses (must equal Part IX, column (A), line 25)	2	164,387,628
3	Revenue less expenses Subtract line 2 from line 1	3	5,938,061
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	162,471,677
5	Net unrealized gains (losses) on investments	5	4,058,016
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	-6
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	172,467,748

Part XII Financial Statements and Reporting

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

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

SCHEDULE A
(Form 990 or 990EZ)

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 WILSON MEDICAL CENTER INC	Employer identification number 56-6024172
---	--

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)

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

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

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

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

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)

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

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)

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

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)

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

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

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)

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

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

(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

(ii) A family member of a person described in (i) above?

(iii) A 35% controlled entity of a person described in (i) or (ii) above?

Provide the following information about the supported organization(s)

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Non-functionally integrated

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

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

Part II

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

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

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

Section C. Computation of Public Support Percentage						
14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f))		14				
15 Public support percentage for 2011 Schedule A, Part II, line 14		15				
16a 33 1/3% support test—2012. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization						▶
b 33 1/3% support test—2011. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization						▶
17a 10%-facts-and-circumstances test—2012. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization						▶
b 10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization						▶
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions						▶

Part IIIPart 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

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 WILSON MEDICAL CENTER INC	Employer identification number 56-6024172
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Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1	Provide a description of the organization’s direct and indirect political campaign activities in Part IV	
2	Political expenditures	▶ \$
3	Volunteer hours	

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

1	Enter the amount of any excise tax incurred by the organization under section 4955	▶ \$
2	Enter the amount of any excise tax incurred by organization managers under section 4955	▶ \$
3	If the organization incurred a section 4955 tax, did it file Form 4720 for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5	Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization’s funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV	

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

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

- A** Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- B** Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b	Total lobbying expenditures to influence a legislative body (direct lobbying)														
c	Total lobbying expenditures (add lines 1a and 1b)														
d	Other exempt purpose expenditures														
e	Total exempt purpose expenditures (add lines 1c and 1d)														
f	Lobbying nontaxable amount. Enter the amount from the following table in both columns														
<table><thead><tr><th>If the amount on line 1e, column (a) or (b) is:</th><th>The lobbying nontaxable amount is:</th></tr></thead><tbody><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></tbody></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g	Grassroots nontaxable amount (enter 25% of line 1f)														
h	Subtract line 1g from line 1a. If zero or less, enter -0-														
i	Subtract line 1f from line 1c. If zero or less, enter -0-														
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No													

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

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

Part II-B

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

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

		(a)	(b)	
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		16,931
j	Total. Add lines 1c through 1i.			16,931
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	NORTH CAROLINA HOSPITAL ASSOCIATION MEMBERSHIP DUES (LOBBYING 27 14% X \$35,000 = \$9,499) AMERICAN HOSPITAL ASSOCIATION MEMBERSHIP DUES (LOBBYING 23 65% X \$31,423 = \$7,432)

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization WILSON MEDICAL CENTER INC	Employer identification number 56-6024172
---	--

Part I

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	

Part II

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

1

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

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

2

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

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

3

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

4

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

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes☐ No

6

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

7

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

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

☐ Yes☐ No

9

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

Part III

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

1a

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

b

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

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

▶\$ _____

(ii) Assets included in Form 990, Part X

▶\$ _____

2

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

a

Revenues included in Form 990, Part VIII, line 1

▶\$ _____

b

Assets included in Form 990, Part X

▶\$ _____

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

Cat No 52283D

Schedule D (Form 990) 2012

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☐ No

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

1a

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

☐ Yes

☐ No

b

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

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

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

☐

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

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

2

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

a

Board designated or quasi-endowment

b

Permanent endowment

c

Temporarily restricted endowment

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

3a

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

(i)

unrelated organizations

3a(i)

☐ Yes

☐ No

(ii)

related organizations

3a(ii)

☐ Yes

☐ No

b

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

3b

☐ Yes

☐ No

4

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

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

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		2,417,489		2,417,489
b Buildings		87,017,687	51,785,616	35,232,071
c Leasehold improvements		3,944,926	3,340,221	604,705
d Equipment		87,054,232	62,709,119	24,345,113
e Other		1,244,167		1,244,167
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				63,843,545

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	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12			
a	Net unrealized gains on investments	2a		
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII)	2d		
e	Add lines 2a through 2d		2e	
3	Subtract line 2e from line 1		3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII)	4b		
c	Add lines 4a and 4b		4c	
5	Total revenue Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)		5	

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

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

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
------------	------------------	-------------

Additional Data

Software ID:

Software Version:

EIN: 56-6024172

Name: WILSON MEDICAL CENTER INC

Form 990, Schedule D, Part X, - Other Liabilities

1	(a) Description of Liability	(b) Book Value
	DUE TO HEALTH INSURANCE PROGRAM	3,804,195
	GROUP INSURANCE	1,210,937
	OTHER LIABILTIES	1,507,873
	PAYABLE TO AFFILIATES	7,261,526
	ACCRUED VACATION	2,346,593
	ACCRUED INTEREST	2,294,430
	ACCRUED UNEMPLOYMENT COMP	212,000
	ACCRUED PAYROLL	1,329,240
	DISPROPORTIONATE SHARE	791,763

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

OMB No 1545-0047

2012

Open to Public Inspection

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

Name of the organization
WILSON MEDICAL CENTER INC

Employer identification number
56-6024172

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No	
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ % b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ % c If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care 4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	3a	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	3b	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	4	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5a	Yes	
6a	Did the organization prepare a community benefit report during the tax year?	5b	Yes	
b	If "Yes," did the organization make it available to the public?	5c		No
	Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.	6a	Yes	
		6b	Yes	

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			2,541,434		2,541,434	1 990 %
b Medicaid (from Worksheet 3, column a)			2,409,539		2,409,539	1 890 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			8,715,709		8,715,709	6 820 %
d Total Financial Assistance and Means-Tested Government Programs			13,666,682		13,666,682	10 700 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			1,696,531		1,696,531	1 330 %
f Health professions education (from Worksheet 5)			264,542		264,542	0 210 %
g Subsidized health services (from Worksheet 6)			0			
h Research (from Worksheet 7)			0			
i Cash and in-kind contributions for community benefit (from Worksheet 8)			30,163		30,163	0 020 %
j Total Other Benefits			1,991,236		1,991,236	1 560 %
k Total. Add lines 7d and 7j			15,657,918		15,657,918	12 260 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing						
2Economic development						
3Community support			7,568		7,568	0.010 %
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy						
8Workforce development						
9Other						
10Total			7,568		7,568	0.010 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?

1Yes

No

2Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

236,679,122

3Enter 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.

310,017,460

4Provide 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

5Enter total revenue received from Medicare (including DSH and IME).

549,242,330

6Enter Medicare allowable costs of care relating to payments on line 5.

656,822,463

7Subtract line 6 from line 5. This is the surplus (or shortfall).

7-7,580,133

8Describe 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

9aDid the organization have a written debt collection policy during the tax year?

9aYes

No

bIf "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.

9bYes

No

Part IVManagement Companies and Joint Ventures

(owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1 1 PREMIER PURCHASING PARTNERS LP	GROUP PURCHASING	0.840 %	0 %	0 %
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	WILSON MEDICAL CENTER INC 1705 SOUTH TARBORO STREET WILSON, NC 27893	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)

WILSON MEDICAL CENTER INC

Name of hospital facility or facility reporting group

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

1

		Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)			
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply)	1	No
a	<input type="checkbox"/> A definition of the community served by the hospital facility		
b	<input type="checkbox"/> Demographics of the community		
c	<input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	<input type="checkbox"/> How data was obtained		
e	<input type="checkbox"/> The health needs of the community		
f	<input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	<input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	<input type="checkbox"/> The process for consulting with persons representing the community's interests		
i	<input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j	<input type="checkbox"/> Other (describe in Part VI)		
2	Indicate the tax year the hospital facility last conducted a CHNA 20 ____		
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5	Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5	
a	<input type="checkbox"/> Hospital facility's website		
b	<input type="checkbox"/> Available upon request from the hospital facility		
c	<input type="checkbox"/> Other (describe in Part VI)		
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)		
a	<input type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b	<input type="checkbox"/> Execution of the implementation strategy		
c	<input type="checkbox"/> Participation in the development of a community-wide plan		
d	<input type="checkbox"/> Participation in the execution of a community-wide plan		
e	<input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f	<input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g	<input type="checkbox"/> Prioritization of health needs in its community		
h	<input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	<input type="checkbox"/> Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7	
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$_____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		9	Yes
10 Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>200 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		10	Yes
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>300 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		11	Yes
12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)		12	Yes
a <input checked="" type="checkbox"/> Income level			
b <input checked="" type="checkbox"/> Asset level			
c <input checked="" type="checkbox"/> Medical indigency			
d <input checked="" type="checkbox"/> Insurance status			
e <input checked="" type="checkbox"/> Uninsured discount			
f <input checked="" type="checkbox"/> Medicaid/Medicare			
g <input type="checkbox"/> State regulation			
h <input type="checkbox"/> Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?		13	Yes
14 Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		14	Yes
a <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website			
b <input checked="" type="checkbox"/> The policy was attached to billing invoices			
c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices			
e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility			
f <input checked="" type="checkbox"/> The policy was available upon request			
g <input type="checkbox"/> Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?		15	Yes
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a <input checked="" type="checkbox"/> Reporting to credit agency			
b <input checked="" type="checkbox"/> Lawsuits			
c <input checked="" type="checkbox"/> Liens on residences			
d <input type="checkbox"/> Body attachments			
e <input type="checkbox"/> Other similar actions (describe in Part VI)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged		17	Yes
a <input checked="" type="checkbox"/> Reporting to credit agency			
b <input type="checkbox"/> Lawsuits			
c <input type="checkbox"/> Liens on residences			
d <input type="checkbox"/> Body attachments			
e <input type="checkbox"/> Other similar actions (describe in Part VI)			

Part V

Facility Information (continued)

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

☒

Notified individuals of the financial assistance policy on admission
- b

☒

Notified individuals of the financial assistance policy prior to discharge
- c

☒

Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- d

☒

Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- e

☐

Other (describe in Part VI)

Policy Relating to Emergency Medical Care

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

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

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

Part V

Facility Information (continued)

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

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

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

Part VI Supplemental Information

Complete this part to provide the following information

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

Identifier	ReturnReference	Explanation
		PART I, LINE 3C ELIGIBILITY IS GENERALLY DETERMINED BY MEASURING THE GROSS FAMILY INCOME AGAINST THE FEDERAL POVERTY INCOME GUIDELINES IN ADDITION, OTHER RELEVANT NON-INCOME RESOURCES, INCLUDING BUT NOT LIMITED TO REAL ESTATE, SAVINGS, LIFE INSURANCE, MOTOR VEHICLES, ETC , WILL BE CONSIDERED IN REACHING A DETERMINATION OF ELIGIBILITY ELIGIBILITY GUIDELINES WILL ALSO TAKE INTO CONSIDERATION CATASTROPHIC EVENTS FOR PATIENTS WHOSE INCOME FALLS OUTSIDE THE GUIDELINES PATIENTS WHOSE GROSS INCOME IS LESS THAN THREE TIMES THE FEDERAL POVERTY INCOME GUIDELINES MAY BE ELIGIBLE FOR REDUCED MONTHLY PAYMENTS OR UNCOMPENSATED SERVICES IN PART OR IN FULL
		PART I, LINE 7, COLUMN (F) THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS \$ 36679122

Identifier	ReturnReference	Explanation
	PART I, LINE 6A	NORTH CAROLINA HOSPITAL ASSOCIATION SEE WWW NCHA ORG
		PART II THE "WILSON CHAMBER OF COMMERCE" PROGRAM PROVIDES FOR THE DEVELOPMENT AND GROWTH OF THE CITY OF WILSON, NORTH CAROLINA

Identifier	ReturnReference	Explanation
		PART III, LINE 4 THE MEDICAL CENTER PROVIDES SERVICES TO THE RESIDENTS OF WILSON AND SURROUNDING COUNTIES WITHOUT COLLATERAL AN ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS IS PROVIDED IN AN AMOUNT EQUAL TO THE ESTIMATED LOSSES TO BE INCURRED IN COLLECTION OF THE RECEIVABLES
		PART III, LINE 8 COSTS ARE DETERMINED USING THE STEP-DOWN METHODOLOGY FROM THE MEDICARE COST REPORT

Identifier	ReturnReference	Explanation
		PART III, LINE 9B PATIENTS IDENTIFIED AS QUALIFYING FOR CHARITY CARE HAVE THEIR ACCOUNTS ADJUSTED OFF AS CHARITY CARE AND ARE NOT SUBJECTED TO COLLECTION EFFORTS
		PART VI, LINE 3 STAFF WORKS DIRECTLY WITH PATIENTS TO PROVIDE AWARENESS OF EXISTING ASSISTANCE AND IN APPLYING FOR ANY APPLICABLE PROGRAMS

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 4 BASED ON THE 2013 CENSUS ESTIMATES FOR WILSON COUNTY THERE ARE 81,667 PEOPLE, 31,932 HOUSEHOLDS, AND 21,292 FAMILIES THE POPULATION DENSITY WAS 220 6 PEOPLE PER SQUARE MILE THERE WERE 35,514 HOUSING UNITS THE RACIAL MAKEUP OF THE COUNTY WAS WHITE ALONE (NOT HISPANIC/LATINO), 48 8%, BLACK OR AFRICAN AMERICAN, 39 6%, NATIVE AMERICAN, 5%, ASIAN, 1%, PACIFIC ISLANDER, 1%, HISPANIC OR LATINO, 10% PEOPLE OF TWO OR MORE RACES ACCOUNTED FOR 1 4% OF THE 31,932 HOUSEHOLDS, 28 2% FAMILIES WITH CHILDREN OF THEIR OWN WERE UNDER 18 YEARS OLD 45% OF THEM WERE MARRIED COUPLES LIVING TOGETHER 16 4% HAD A FEMALE HEAD OF HOUSEHOLD WITH NO HUSBAND PRESENT 33 3% WERE NON FAMILIES 11 1% OF THE HOUSEHOLDS WERE MADE UP OF SOMEONE LIVING ALONE WHO IS 65 YEARS OLD AND OLDER THE AVERAGE HOUSEHOLD SIZE WAS 2 48 THE AVERAGE FAMILY SIZE WAS 3 05 THE 81,667 PEOPLE WERE BROKEN DOWN IN THESE AGE GROUPS 19,429 WERE UNDER THE AGE OF 18, 7,425 ARE AGED 18 TO 24 YEARS OLD, 19,416 ARE AGED 25 TO 44 YEARS OLD, 22,342 WERE AGED 45 TO 64 YEARS OLD, 13,055 WERE 65 YEARS OLD AND OLDER, AND 1,627 ARE PEOPLE AGED 85 YEARS OLD AND OLDER THE MEDIAN AGE IS 39 8 OF THE 81,667 PEOPLE, 38,881 WERE MALE AND 42,786 WERE FEMALE OF THE 62,238 PEOPLE AGED 18 AND OLDER, 28,913 WERE MALE AND 33,325 WERE FEMALE THE MEDIAN INCOME FOR A HOUSEHOLD IN THE COUNTY WAS \$38,398 THE MEDIAN INCOME FOR FAMILY WAS \$47,647 MALES HAD A MEDIAN INCOME OF \$38,297 VERSUS \$30,861 FOR FEMALES THE PER CAPITA INCOME FOR THE COUNTY WAS \$20,671 17% OF THE FAMILIES IN THE COUNTY LIVE BELOW THE POVERTY LINE 22 8% OF THE POPULATION LIVES BELOW THE POVERTY LINE 19 1% OF THOSE OVER THE AGE OF 18 LIVE BELOW THE POVERTY LINE 12 6% OF THOSE AGED 65 AND OLDER LIVE BELOW THE POVERTY LINE</p>
		<p>PART VI, LINE 5 WILSON MEDICAL CENTER HAS AN OPEN MEDICAL STAFF THE BOARD OF DIRECTORS IS COMPRISED OF INDIVIDUALS THAT ARE ACTIVE IN OTHER ORGANIZATIONS IN THE COMMUNITY SURPLUS FUNDS ARE RE-INVESTED IN THE FACILITY AND EQUIPMENT THAT PROVIDE HEALTHCARE SERVICES</p>

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 N/A
REPORTS FILED WITH STATES	PART VI, LINE 7	NC

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

2012

Open to Public Inspection

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


Employer identification number
56-6024172

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ Yes ☐ No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

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

[illegible]

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

Part III

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

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

Part IV

Supplemental Information.

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

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 WILSON MEDICAL CENTER, INC MAKES GRANTS TO OTHER 501(C)(3) ORGANIZATIONS

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
WILSON MEDICAL CENTER INC

Employer identification number
56-6024172

Part I

Questions Regarding Compensation

	Yes	No
<div><div>1a</div><div>Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items</div><div><div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div><div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div></div>		
<div><div>1b</div><div>If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain</div></div>		
<div><div>2</div><div>Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?</div></div>		
<div><div>3</div><div>Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III</div><div><div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div></div><div><div><input type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div></div></div>		
<div><div>4</div><div>During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization</div></div>		
<div><div>4a</div><div>Receive a severance payment or change-of-control payment?</div></div>		No
<div><div>4b</div><div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div></div>		No
<div><div>4c</div><div>Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III</div>		No
<div><div></div><div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div></div>		
<div><div>5</div><div>For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of</div></div>		
<div><div>5a</div><div>The organization?</div></div>		No
<div><div>5b</div><div>Any related organization?</div></div> <div>If "Yes," to line 5a or 5b, describe in Part III</div>		No
<div><div>6</div><div>For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of</div></div>		
<div><div>6a</div><div>The organization?</div></div>		No
<div><div>6b</div><div>Any related organization?</div></div> <div>If "Yes," to line 6a or 6b, describe in Part III</div>		No
<div><div>7</div><div>For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III</div></div>		No
<div><div>8</div><div>Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III</div></div>		No
<div><div>9</div><div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</div></div>		

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1)RICHARD HUDSON PRESIDENT	(i) (ii)	528,740 0	0 0	0 0	22,500 0	6,306 0	557,546 0	0 0
(2)LYNN LAMBERT CHIEF FINANCIAL OFFICER	(i) (ii)	197,448 0	0 0	0 0	21,500 0	8,998 0	227,946 0	0 0
(3)DENISE O'HARA VP HUMAN RESOURCES	(i) (ii)	172,204 0	0 0	0 0	22,500 0	6,693 0	201,397 0	0 0
(4)RICK GUARINO MD VP MEDIAL AFFAIRS	(i) (ii)	217,096 0	0 0	0 0	22,500 0	6,753 0	246,349 0	0 0
(5)LOUIS V ANTIGNANO PHYSICIAN	(i) (ii)	453,175 0	0 0	0 0	9,044 0	4,106 0	466,325 0	0 0
(6)KENNETH LEE JOHNSON PHYSICIAN	(i) (ii)	348,592 0	0 0	0 0	17,750 0	5,457 0	371,799 0	0 0
(7)BENJAMIN M THOMAS PHYSICIAN	(i) (ii)	334,861 0	0 0	0 0	12,000 0	6,035 0	352,896 0	0 0
(8)FERNANDO X CASTRO PHYSICIAN	(i) (ii)	194,638 0	0 0	0 0	9,777 0	23,761 0	228,176 0	0 0
(9)MELINDA K LAIRD PHYSICIAN	(i) (ii)	196,741 0	0 0	0 0	7,031 0	630 0	204,402 0	0 0

Part III **Supplemental Information**

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

Identifier	Return Reference	Explanation
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Software ID:
Software Version:
EIN: 56-6024172
Name: WILSON MEDICAL CENTER 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				
RICHARD HUDSON	(i)	528,740	0	0	22,500	6,306	557,546	0
	(ii)	0	0	0	0	0	0	0
LYNN LAMBERT	(i)	197,448	0	0	21,500	8,998	227,946	0
	(ii)	0	0	0	0	0	0	0
DENISE O'HARA	(i)	172,204	0	0	22,500	6,693	201,397	0
	(ii)	0	0	0	0	0	0	0
RICK GUARINO MD	(i)	217,096	0	0	22,500	6,753	246,349	0
	(ii)	0	0	0	0	0	0	0
LOUIS V ANTIGNANO	(i)	453,175	0	0	9,044	4,106	466,325	0
	(ii)	0	0	0	0	0	0	0
KENNETH LEE JOHNSON	(i)	348,592	0	0	17,750	5,457	371,799	0
	(ii)	0	0	0	0	0	0	0
BENJAMIN M THOMAS	(i)	334,861	0	0	12,000	6,035	352,896	0
	(ii)	0	0	0	0	0	0	0
FERNANDO X CASTRO	(i)	194,638	0	0	9,777	23,761	228,176	0
	(ii)	0	0	0	0	0	0	0
MELINDA K LAIRD	(i)	196,741	0	0	7,031	630	204,402	0
	(ii)	0	0	0	0	0	0	0

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
WILSON MEDICAL CENTER INC

Employer identification number
56-6024172

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 NORTH CAROLINA MEDICAL CARE COMMISSION	52-1309402	65820HA86	08-27-2007	34,517,040	REFUNDING OF SERIES 1997 BONDS & INSTALLING NEW EQUIPMENT		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	33,825,000							
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows	24,459,800							
7	Issuance costs from proceeds	474,351							
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	9,582,889							
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion								
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X						
15	Were the bonds issued as part of an advance refunding issue?	X							
16	Has the final allocation of proceeds been made?		X						
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III

Private Business Use

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

Part III

Private Business Use (Continued)

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

Part IV

Arbitrage

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

Part IV

Arbitrage (Continued)

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

Part V

Procedures To Undertake Corrective Action

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

Part VI

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

Identifier	Return Reference	Explanation
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SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury

Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on

Form 990 or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2012

Open to Public

Inspection

Name of the organization
WILSON MEDICAL CENTER INC

Employer identification number
56-6024172

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	
	FORM 990, PART VI, SECTION B, LINE 12C	ONCE A YEAR, EACH PERSON IS REQUIRED TO REVIEW AND SIGN THE CONFLICT OF INTEREST POLICY (THROUGH THE WILLEARN SYSTEM) THIS IS ONE OF THE ANNUAL MODULES THAT MUST BE COMPLETED EACH YEAR IT ENSURES THAT EMPLOYEES ARE FAMILIAR WITH THE POLICY IF THERE IS A CONFLICT OF INTEREST, THE VP IS NOTIFIED AND A DISCUSSION SHOULD OCCUR AT THAT TIME TO DETERMINE THE EXTENT, WHETHER POTENTIAL OR ACTUAL BOARD MEMBERS WITH CONFLICTS ARE RECUSED FROM VOTING
	FORM 990, PART VI, SECTION B, LINE 15	AT LEAST EVERY TWO YEARS, AN INDEPENDENT FIRM IS UTILIZED TO DETERMINE THE APPROPRIATE COMPENSATION FOR THE CEO AND VPS THE BOARD DETERMINED A STRATEGY AND GUIDELINES AS TO WHAT PERCENTILE AT WHICH THEY WOULD PLACE SALARIES FOR THE CEO AND VPS UPON RECEIPT OF THE INDEPENDENT DATA, THE HR COMMITTEE OF THE BOARD REVIEWS THE DATA AND DETERMINES IF ANY ADJUSTMENTS SHOULD BE MADE THIS PROCESS LAST TOOK PLACE DURING 2012
	FORM 990, PART VI, SECTION C, LINE 19	GOVERNING DOCUMENTS, POLICIES AND FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 9	OTHER ADJUSTMENT -6
	PART XII, LINE 2C	THIS PROCESS HAS NOT CHNAGED FROM THE PRIOR YEAR

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
WILSON MEDICAL CENTER INC

Employer identification number
56-6024172

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) WILMED GENERATIONS INC 1705 SOUTH TARBORO STREET WILSON, NC 27893 56-1572076	LONG-TERM NURSING CARE	NC	501(C)(3)	LINE 11A, I	N/A		No
(2) WILMED HEALTHCARE FOUNDATION INC 1705 SOUTH TARBORO STREET WILSON, NC 27893 56-1572064	SUPPORT ACTIVITIES	NC	501(C)(3)	LINE 11B, II	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?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end- of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No

Part V

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

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

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

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

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

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

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

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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

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

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

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

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

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

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

Yes

No

1a

No

1b

Yes

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

No

1i

No

1j

No

1k

No

1l

No

1m

No

1n

Yes

1o

Yes

1p

No

1q

Yes

1r

Yes

1s

No

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

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) WILMED HEALTHCARE FOUNDATION	O	86,640	WAGES & BENEFITS PAID
(2) WILMED GENERATIONS	O	247,648	WAGES & BENEFITS PAID
(3) WILMED GENERATIONS	Q	2,007,683	CASH REIMBURSEMENTS
(4) WILMED GENERATIONS	B	4,000	GIFT TO WILMED GENERATIONS
(5) WILMED HEALTHCARE FOUNDATION	C	153,927	GIFT TO HOSPITAL
(6) WILMED HEALTHCARE FOUNDATION	Q	748,903	CASH REIMBURSEMENTS

Schedule R (Form 990) 2012

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

[illegible]

Software ID:

Software Version:

EIN: 56-6024172

Name: WILSON MEDICAL CENTER 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
WILMED HEALTHCARE FOUNDATION	O	86,640	WAGES & BENEFITS PAID
WILMED GENERATIONS	O	247,648	WAGES & BENEFITS PAID
WILMED GENERATIONS	Q	2,007,683	CASH REIMBURSEMENTS
WILMED GENERATIONS	B	4,000	GIFT TO WILMED GENERATIONS
WILMED HEALTHCARE FOUNDATION	C	153,927	GIFT TO HOSPITAL
WILMED HEALTHCARE FOUNDATION	Q	748,903	CASH REIMBURSEMENTS

Wilson Medical Center

Annual Financial Report
Years Ended September 30, 2013 and 2012

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Independent Auditor's Report

Board of Trustees
Wilson Medical Center
Wilson, North Carolina

Report on the Financial Statements

We have audited the accompanying combined financial statements of the business-type activities and the fiduciary fund information of Wilson Medical Center (the Medical Center) as of and for the years ended September 30, 2013 and 2012, and the related notes to the combined financial statements, which collectively comprise the Medical Center's basic financial statements, as listed in the table of contents

Management's Responsibility for the Combined Financial Statements

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

Auditor's Responsibility

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

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the respective combined financial position of the business-type activities and the fiduciary fund of the Medical Center as of September 30, 2013 and 2012, and the respective changes in its net position, and, where applicable, cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 13 to the combined financial statements, the Medical Center entered into a proposed partnership on July 23, 2013, with Duke-LifePoint Healthcare. Wilson Medical Center anticipates approval by Wilson County in early January with the actual merger anticipated to occur on February 1, 2014.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America for state and local governments require that the management's discussion and analysis and schedule of funding progress on pages 3–7 and 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining statements listed in the contents under other supplementary information are presented for purposes of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual subsidiaries and are not a required part of the combined 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McGladrey LLP

New Bern, North Carolina
December 9, 2013

Wilson Medical Center

Management's Discussion and Analysis (Unaudited) September 30, 2013 and 2012 (Dollars in Thousands)

Management's discussion and analysis of Wilson Medical Center (the Medical Center) provides an overview of the financial activities for the fiscal years ended September 30, 2013 and 2012

Annual Financial Report

The financial report includes the independent auditor's report, required financial statements and accompanying explanatory notes. The required financial statements include the following: combined balance sheets, combined statements of revenues, expenses, and changes in net position, combined statements of cash flows, fiduciary fund information, and notes to the financial statements. The Medical Center's combined financial statements are prepared on the full accrual basis of accounting, in which revenue is recorded when earned, including revenue not yet received in cash, and expenses are recorded when incurred, including obligations to creditors not yet paid in cash.

Overview

Wilson Medical Center is a not-for-profit provider of health care within Wilson County, North Carolina and the surrounding area. The Medical Center is a general acute care health care facility that provides inpatient care, outpatient care, and wellness services at the Medical Center's main campus in Wilson, North Carolina and at other sites within its geographic service area. The Medical Center comprises over 90% of the total assets and operating revenues of the organization. WilMed Generations (skilled nursing care center) and Wilson Medical Center Foundation are also included in these financial statements.

Required Financial Statements

Combined Balance Sheets

The combined balance sheets reflect the investments in resources (assets) and obligations to creditors (liabilities) on the last day of the fiscal year. The Medical Center's Net Position reflects the value of the Medical Center's assets less its liabilities. The combined balance sheets classify assets and liabilities as current or noncurrent and can be used to evaluate the Medical Center's liquidity and ability to meet its future financial obligations.

Combined Statements of Revenues, Expenses and Changes in Net Position

The combined statements of revenue, expenses, and changes in net position report the revenue the Medical Center generated from providing services to patients and the related expenses required to provide services to patients during the fiscal years ended September 30, 2013 and 2012.

Combined Statements of Cash Flows

The combined statements of cash flows report cash inflows and outflows from operations, financing activities, and investing activities, and their effect on the change in cash and cash equivalents. Additionally, the combined statements of cash flows report certain noncash transactions that occurred during the fiscal years ended September 30, 2013 and 2012.

Analysis of Overall Financial Position and Results of Operations

A summary of the Medical Center's condensed combined balance sheets as of September 30 are presented below

	2013	2012	2011
	(In Thousands)		
Assets			
Current assets	\$ 43,531	\$ 45,149	\$ 46,713
Capital assets, net	67,202	70,076	67,861
Other noncurrent assets	117,093	106,457	93,117
Total assets	227,826	221,682	207,691
Deferred outflows of resources, unamortized loss on debt issuance	1,148	1,322	1,491
Total assets & deferred outflows	\$ 228,974	\$ 223,004	\$ 209,182
Current Liabilities	\$ 22,170	\$ 23,690	\$ 20,939
Long-Term Capital Lease	-	-	5
Long-Term Debt	29,355	32,232	34,956
Total liabilities	51,525	55,922	55,900
Net Position			
Invested in capital assets, net of related debt	36,257	37,509	31,055
Restricted by donors	656	656	859
Unrestricted	140,536	128,917	121,368
Total net position as restated (2012)	177,449	167,082	153,282
Total liabilities and net position	\$ 228,974	\$ 223,004	\$ 209,182

Net Position

Total net position at September 30, 2013 and 2012 increased \$10.4 million and \$13.8 million, respectively, or 6% and 9%. These increases resulted from operating income and capital contributions exceeding non-operating expenses (interest, investment gains and losses, and other losses).

Cash and Investments

Total cash and investments, excluding donor-restricted and trustee-held funds, at September 30, 2013 and 2012 were \$114.6 million and \$109.3 million, respectively. The increases over 2012 and 2011 are primarily due to the change in fair value of investments and capital spending during each period.

Net Days' Revenue in Accounts Receivable

Net days of operating revenue in net patient accounts receivable was 58.6 days at September 30, 2013, as compared to 57.6 days at September 30, 2012, an increase of 1.7 days. This increase is a result of continued revision of applicable factors including bad debts and charity care, as well as adjustments.

Net days of operating revenue in net patient accounts receivable was 57.6 at September 30, 2012, as compared to 78.4 at September 30, 2011, a decrease of 26%. This decrease is a result of many factors, including increased bad debts and charity care, as well as adjustments.

Capital Assets

A summary of the Medical Center's net capital assets as of September 30, 2013, 2012 and 2011, are presented below

MDA CapAssets

	2013	2012	2011
	(In Thousands)		
Land	\$ 2,417	\$ 2,417	\$ 2,417
Land improvements	4,355	4,161	4,138
Buildings	90,773	83,103	80,685
Equipment	89,983	85,185	89,034
Construction in progress	1,355	8,380	9,254
	188,883	183,246	185,528
Less accumulated depreciation	(121,681)	(113,170)	(117,667)
Net capital assets	\$ 67,202	\$ 70,076	\$ 67,861

Additional information about the changes in capital assets is presented in Note 7 to the financial statements

A summary of the Medical Center's condensed combined statements of revenues, expenses, and changes in net position for the years ended September 30, 2013, 2012 and 2011, are presented below

	2013	2012	2011
	(In Thousands)		
Operating revenues	\$ 132,252	\$ 137,076	\$ 132,934
Operating expenses	132,067	135,249	128,006
Income from operations	185	1,827	4,928
Interest expense	(1,840)	(2,142)	(2,264)
Investment gain, net	12,073	14,229	(1,357)
Nonoperating loss	(388)	(466)	(944)
Total nonoperating revenue	9,845	11,621	(4,565)
Excess revenues over expense	10,030	13,448	363
Capital contributions	337	352	564
Change in net position	10,367	13,800	927
Net Position, beginning of year	167,082	153,282	152,355
Net Position, end of year	\$ 177,449	\$ 167,082	\$ 153,282

Operating Revenues

Operating revenues decreased 3.5% in 2013 from 2012. The decrease resulted from reduced inpatient volumes, and outpatient volumes that were less than 2012 levels. Operating revenues increased 3.1% in 2012 from 2011. The increase resulted from new wound care service line revenues, an overall price increase, and outpatient volumes consistent with 2011 levels, partially offset by reduced inpatient volumes.

Operating Expenses

Total operating expenses decreased 2.4% in 2013 from 2012. The decrease resulted primarily from a decrease in benefits and decreases in supplies expense. Total operating expenses increased 5.7% in 2012 from 2011. The increase resulted from a 2.5% overall increase in salaries and benefits and inflationary increases in supplies expense.

Depreciation and amortization decreased 4.3% in 2013, as compared to 2012, due to planned decrease acquisition of capital equipment. Depreciation and amortization increased 1.2% in 2012 as compared to 2011 due to planned acquisition of capital equipment.

Nonoperating Income

The Medical Center's investment gains for 2013 and 2012 amounted to \$12.1 million and \$14.2 million, respectively, as market conditions improved and stabilized.

Excess Revenues over Expenses

Excess revenues over expenses decreased to \$10.0 million in 2013, representing a \$3.4 million decrease from 2012, primarily due to a decrease in the net investment gain of \$2.1 million. Excess revenues over expenses increased to \$13.4 million in 2012, representing a \$13.0 million increase over 2011 primarily due to an increase in the net investment gain of \$15.6 million.

Cash Flows

A summary of the Medical Center's condensed combined statements of cash flows at September 30 is presented below.

	2013	2012	2011
	(In Thousands)		
Cash flows from operating activities	\$ 3,147	\$ 17,669	\$ 8,612
Cash flows from capital and related financing activities	(11,254)	(17,873)	(15,623)
Cash flows from investing activities	(1,036)	761	(2,338)
Net increase (decrease) in cash and cash equivalents	(9,143)	557	(9,349)
Cash and cash equivalents - beginning of year	27,488	26,931	36,280
Cash and cash equivalents - end of year	\$ 18,345	\$ 27,488	\$ 26,931

Days' cash on hand increased 7.3% to 341 days in 2013. Cash flows from operating activities decreased by \$14.5 million in 2013 as a result of decline of cash collections from patients and an increase in payments for wages and benefits. Net "days" of operations revenue in net patient accounts receivable increased to 58.6 days in 2013 from 57.6 days in 2012. Investments in property and equipment in 2013 and 2012 were \$6.8 million and \$13.3 million, respectively.

Days' cash on hand increased 5% to 318 days in 2012. Cash flows from operating activities increased by \$9.0 million in 2012 as a result of improved cash collections and increased services. Net "days" of operations revenues in net patient accounts receivable decreased to 57.6 in 2012 from 78.4 in 2011. Investments in property and equipment in 2012 and 2011 were \$18.8 million and \$11.0 million, respectively.

Debt

The debt service coverage ratio was 3.8 in 2013, as compared to 2.9 for 2012. Long-term debt decreased by \$2.9 million during the fiscal year ended September 30, 2013 and by \$4.2 million for the fiscal year ended September 30, 2012.

Budgets

The Medical Center prepares a budget that supports the organization's goals. This budget serves as a guide to management and the Board in evaluating the success of the organization in meeting their financial goals. Revenues and gains in excess of expenses were planned to be at \$11.5 million for the year ended September 30, 2013. Actual excess of revenues over expenses of \$10.0 million resulted from both operating and investment income being less than budgeted.

Future Challenges

The operational focus will continue to be how to best address the challenges facing all health care providers. Downward pressure on government and managed care reimbursement will put additional pressure on net revenue. Shortages of clinical staff will increase wage costs and advances in technology will increase supply and equipment costs. Advances in drug therapy and new technology will continue to require expensive new pharmaceuticals and other items. Increasing demand for capital will continue.

Future Operations

On July 23, 2013, the Medical Center entered into a proposed partnership with Duke-LifePoint Healthcare. The resulting partnership is anticipated to continue and improve the provision of health care services to the residents in the Medical Center's service area. Certain required approvals are pending. The transaction closing is currently projected by the end of January 2014, with actual operations of the newly merged beginning February 1, 2014.

Finance Contact

The Medical Center's financial statements are designed to present users with a general overview of the Hospital's finances and to demonstrate the Medical Center's accountability. If you have any questions about the report or need additional financial information, please contact the Chief Financial Officer, Wilson Medical Center, 1705 Tarboro Street SW, Wilson, NC 27893.

Wilson Medical Center

**Combined Balance Sheets - Proprietary Fund
September 30, 2013 And 2012
(Dollars in Thousands)**

Assets and Deferred Outflows of Resources	2013	2012
Current Assets		
Cash and cash equivalents (Note 4)	\$ 5,827	\$ 9,317
Patient accounts receivable, net of allowance for doubtful accounts (Note 5)	26,634	25,438
Other receivables	5,711	4,805
Inventories	3,835	4,165
Prepaid expenses	1,524	1,424
Total current assets	43,531	45,149
Capital Assets, net (Note 7)	67,202	70,076
Noncurrent Cash and Investments (Note 4)		
Board designated for capital improvements (Note 2)	108,820	99,965
Held by trustees	796	2,321
Restricted by donors	706	632
Total assets limited as to use	110,322	102,918
Other Assets (Note 6)	6,771	3,539
Total assets	227,826	221,682
Deferred outflows of resources, unamortized loss on debt issuance (Note 8)	1,148	1,322
Total assets and deferred outflows of resources	\$ 228,974	\$ 223,004
Liabilities and Net Position		
Current Liabilities		
Trade accounts payable (Note 11)	\$ 6,671	\$ 8,383
Due to health insurance programs	4,755	4,384
Accrued salaries, wages, and other payroll-related expenses	4,131	4,657
Accrued interest payable	2,294	2,219
Group health insurance (Note 11)	1,211	973
Other liabilities (Note 11)	1,518	1,417
Current maturities of capital leases	-	5
Current maturities of long-term debt (Note 8)	1,590	1,652
Total current liabilities	22,170	23,690
Long-Term Debt, less current maturities (Note 8)	29,355	32,232
Total liabilities	51,525	55,922
Commitments and Contingencies (Notes 3, 7, 8, 9, 10, and 11)		
Net Position		
Invested in capital assets	36,257	37,509
Restricted	656	656
Unrestricted (Note 2)	140,536	128,917
Total net position	177,449	167,082
Total liabilities and net position	\$ 228,974	\$ 223,004

See Notes to Combined Financial Statements

Wilson Medical Center

**Combined Statements of Revenues, Expenses, and Changes in Net Position - Proprietary Fund
Years Ended September 30, 2013 And 2012
(Dollars in Thousands)**

	2013	2012
Operating revenues		
Net patient service revenue (Note 3)	\$ 129,024	\$ 133,646
Other operating revenue	3,228	3,430
Total operating revenues	<u>132,252</u>	<u>137,076</u>
Expenses		
Salaries and wages	58,526	58,765
Employee benefits	12,801	14,146
Supplies and other expenses	51,408	52,583
Depreciation and amortization (Note 7)	9,332	9,755
Total expenses	<u>132,067</u>	<u>135,249</u>
Operating income	<u>185</u>	<u>1,827</u>
Nonoperating revenue (expense)		
Interest expense	(1,840)	(2,142)
Investment income (Note 4)	12,073	14,229
Other nonoperating (losses)	(388)	(466)
Total nonoperating revenue	<u>9,845</u>	<u>11,621</u>
Excess of revenue over expenses	10,030	13,448
Capital contributions	<u>337</u>	<u>352</u>
Change in net position	10,367	13,800
Net position, beginning of year	<u>167,082</u>	<u>153,282</u>
Net position, end of year	<u>\$ 177,449</u>	<u>\$ 167,082</u>

See Notes to Combined Financial Statements

Wilson Medical Center

**Combined Statements of Cash Flows - Proprietary Fund
Years Ended September 30, 2013 And 2012
(Dollars in Thousands)**

	2013	2012
Cash Flows from Operating Activities		
Receipts from and payments on behalf of patients	\$ 128,199	\$ 138,674
Receipts from other operations	2,322	1,582
Payments to employees for wages and benefits	(74,791)	(71,817)
Payments to vendors and suppliers	(52,583)	(50,770)
Net cash provided by operating activities	3,147	17,669
Cash Flows from Capital and Related Financing Activities		
Purchases of property and equipment	(6,768)	(13,297)
Principal repayments on long-term debt	(3,514)	(5,033)
Interest related to capital related financing activities	(967)	476
Payment of capital lease obligations	(5)	(19)
Net cash used in capital and related financing activities	(11,254)	(17,873)
Cash Flows from Investing Activities		
Net purchase of investments	(8,910)	(990)
Realized investment income	7,925	1,917
Other interest earned	(51)	(166)
Net cash (used in)/provided by investing activities	(1,036)	761
Net (decrease)/increase in cash and cash equivalents	(9,143)	557
Cash and cash equivalents, beginning of year	27,488	26,931
Cash and cash equivalents, end of year	\$ 18,345	\$ 27,488
Reconciliation of Operating Income to Net Cash		
Provided By Operating Activities		
Operating income	\$ 185	\$ 1,827
Adjustments to reconcile operating income to net cash		
provided by operating activities		
Depreciation and amortization	9,332	9,755
Loss on disposal of assets	307	1,324
Provision for bad debts	36,759	27,867
Changes in operating assets and liabilities		
Patient accounts receivable and health insurance programs	(38,850)	(24,105)
Other receivables	(906)	(1,848)
Inventories	330	(214)
Prepaid expenses	(100)	(253)
Accounts payable and other liabilities	(109)	2,654
Accrued salaries, wages and other payroll-related liabilities	(526)	19
Other assets	(3,275)	643
Net cash provided by operating activities	\$ 3,147	\$ 17,669
Reconciliation of Cash and Cash Equivalents to the		
Balance Sheets		
Cash and cash equivalents in current assets	\$ 5,827	\$ 9,317
Noncurrent cash and cash equivalents		
Board designated for capital improvements	11,016	15,217
Held by trustees	796	2,322
Restricted by donors	706	632
	\$ 18,345	\$ 27,488

(Continued)

Wilson Medical Center

Combined Statements of Cash Flows - Proprietary Fund (Continued)
Years Ended September 30, 2013 And 2012
(Dollars in Thousands)

	2013	2012
Noncash capital and related financing activities		
Amortization of deferred loss on refunding	\$ 175	\$ 168
Accretion of interest on capital appreciation bonds	\$ 693	\$ 746

See Notes to Combined Financial Statements

Wilson Medical Center

Statements of Fiduciary Net Assets - Fiduciary Fund
September 30, 2013 And 2012
(Dollars in Thousands)

Assets	2013	2012
Investments (Note 4)	<u>\$ 63,149</u>	<u>\$ 58,263</u>
Total Assets	<u>\$ 63,149</u>	<u>\$ 58,263</u>
Net Assets Held in Trust for Pension Benefits	<u>\$ 63,149</u>	<u>\$ 58,263</u>

See Notes to Financial Statements

Wilson Medical Center

Statements of Changes in Fiduciary Net Assets - Fiduciary Fund
Years Ended September 30, 2013 And 2012
(Dollars in Thousands)

	2013	2012
Additions		
Employer's contributions	\$ 3,543	\$ 1,207
Investment income		
Net appreciation in fair value of investments	2,497	9,568
Dividends and interest	1,522	358
	<u>4,019</u>	<u>9,926</u>
Total additions	<u>7,562</u>	<u>11,133</u>
Deductions		
Benefits paid to participants	2,654	2,350
Administrative expenses	22	1
Total deductions	<u>2,676</u>	<u>2,351</u>
Net increase in net assets	4,886	8,782
Net assets held in trust for pension benefits		
Beginning of year	<u>58,263</u>	<u>49,481</u>
End of year	<u>\$ 63,149</u>	<u>\$ 58,263</u>

See Notes to Financial Statements

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Wilson Medical Center

Notes to Combined Financial Statements (Dollars in Thousands)

Note 1. Summary of Significant Accounting Policies

Reporting Entity

Wilson Medical Center, Inc (the Medical Center) is a charitable organization organized under the nonprofit corporation statutes of the State of North Carolina to provide health care to residents of Wilson County and surrounding areas

The Medical Center is governed by its Board of Directors (Board). Directors are appointed by the Wilson County Board of Commissioners. As such, the Medical Center is considered a governmental entity for accounting purposes and it follows accounting principles promulgated by the Governmental Accounting Standards Board (GASB). The Medical Center is the sole member of, and its Board appoints the Board of Directors of, each of the blended component units.

The Medical Center is a not-for-profit corporation and is a legally separate organization from Wilson County. Although the Wilson County Board of Commissioners is responsible for appointing the members of the Board of the Medical Center, Wilson County's accountability for this organization does not extend beyond making these appointments.

The combined financial statements include the accounts of the Medical Center and its blended component units, WilMed Generations (Generations) and Wilson Medical Center Foundation (the Foundation). These entities provide or fund health care related services for residents of Wilson County and surrounding areas. All significant intercompany balances and transactions have been eliminated in combination.

Prior to October 1, 2010, the Medical Center, Generations and the Foundation were considered to be part of WilMed Healthcare, Inc (the Company). The Company's 2010 financial statements also included the accounts of WilMed Corporate Horizons (Horizons), Wilson Medical Office Building I, LLC (Office), WilMed Home Care (Home Care), and WilMed Imaging Services (Imaging). Effective October 1, 2010, the Company legally reorganized its entities. WilMed Generations and Wilson Medical Center Foundation remained separate legal entities, while the Company, Horizons, Office, Home Care, and Imaging were consolidated into the Wilson Medical Center.

The Wilson Medical Center Employees' Retirement Plan (Plan) comprises the fiduciary fund (pension trust fund) information. The Plan's fiscal year ends included herein are September 30, 2013 and 2012.

See Note 13 related to proposed partnership with Duke-LifePoint Healthcare.

Basis of Presentation

The combined balance sheets, combined statements of revenues, expenses and changes in net position and combined statements of cash flows present information about the Medical Center. These combined statements include the financial activities of the overall entity, except for the fiduciary activities. The statements of fiduciary net assets (pension trust fund) and statements of changes in fiduciary net assets present information about the Plan.

Wilson Medical Center

Notes to Combined Financial Statements (Dollars in Thousands)

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting

The Medical Center uses enterprise fund accounting. Revenues and expenses of all funds are recognized on the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Pursuant to GASB Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the Medical Center utilizes certain Financial Accounting Standards Board (FASB) pronouncements that do not conflict with or contradict GASB pronouncements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the years ended September 30, 2013 and 2012. Actual results could differ from these estimates.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates related to the programs will change by a material amount in the near term.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with a remaining maturity of 90 days or less at the date of purchase. All investments classified as cash equivalents are carried at fair value.

Investments

All investments, including those of the pension trust fund, are stated at fair value based on quoted market prices. Interest, dividends, and gains and losses, both realized and unrealized, on investments in debt and equity securities are included in nonoperating income when earned.

Inventories

Inventories are stated at the lower of cost, using the first-in, first-out method, or market. Market is considered as replacement cost or net realizable value.

Capital Assets

Capital assets are recorded at their cost. Donated capital assets are recorded at their estimated fair value at the date received (thereafter considered "cost"). The costs of the depreciable assets are depreciated on the straight-line method over their estimated useful lives. Estimated useful lives are 2 to 25 years on land improvements, 5 to 40 years on buildings and improvements and 5 to 25 years on equipment. Expenditures for maintenance, repairs, and minor renewals and betterments are charged to expense as incurred. Renewals and betterments of a major character are capitalized. In the case of retirements or disposals, the assets and related allowances are removed from the accounts. Capital expenditures less than \$2 are expensed as incurred. Capital expenditures of \$2 or greater are capitalized and depreciated over the estimated useful life of the asset.

Wilson Medical Center

Notes to Combined Financial Statements (Dollars in Thousands)

Note 1. Summary of Significant Accounting Policies (Continued)

Noncurrent Cash and Investments

Noncurrent cash and investments include (1) assets internally designated for future capital improvements, over which the Board retains control and may, at its discretion, subsequently use them for other purposes, (2) assets held by trustees under indenture agreements, and (3) assets restricted by donors

Other Assets

Bond issuance costs are amortized on a method which approximates the effective interest method over the life of the bonds

Self-Funded Liabilities

The Medical Center is self-insured for employee medical claims and contracts with a third party to administer the program. The Medical Center's losses are limited under the contract by specific and aggregate stop-loss insurance coverage for claims above specified amounts. Provision has been made for estimated unpaid claims outstanding at September 30, 2013.

Net Position

In accordance with GASB Statement No. 63 (See Recent Accounting Pronouncements section of Note 1), the financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted and is defined as follows:

- *Net position invested in capital assets* consists of capital assets, net of accumulated depreciation, reduced by the current balances of any outstanding borrowings used to finance the purchase, improvement, or construction of those assets.
- *Restricted net position* includes revenues deposited with trustees as required by revenue bond indentures, as well as noncapital net position that must be used for a particular purpose as specified by its revenue source (donors).
- *Unrestricted net position* is remaining net position that does not meet the definition of invested in capital assets or restricted.

Net Patient Service Revenue and Net Patient Receivables

Net patient service revenue and net patient receivables are reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered. Net patient service revenue includes estimated retroactive adjustments under reimbursement agreements with third-party payors. Estimated third-party payor settlements are accrued in the period the related services are rendered and adjusted in future periods, as estimates of interim and final settlements are determined and, it is possible that the amounts of final settlements could be materially different than those initially estimated by management.

Wilson Medical Center

Notes to Combined Financial Statements (Dollars in Thousands)

Note 1. Summary of Significant Accounting Policies (Continued)

Operating Revenues and Expenses

The combined statements of revenues, expenses and changes in net position distinguish between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services while nonexchange revenues received for the purposes other than capital asset acquisition are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

Sales and Income Taxes

The Medical Center, Generations, and the Foundation are exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code, and accordingly, no income taxes have been provided in the accompanying financial statements. In addition, the entities receive reimbursement from the State of North Carolina for sales taxes paid during the year.

Concentrations of Credit Risk

The Medical Center provides services primarily to the residents of Wilson and surrounding counties without collateral or other proof of ability to pay. Concentrations of credit risk with respect to patient accounts receivable are limited due to the large number of patients serviced and the formalized agreements with third-party payors. The Medical Center has significant accounts receivable whose collectability or realizability is dependent upon the performance of certain governmental programs, primarily Medicare and North Carolina Medicaid. Management does not believe there are significant credit risks associated with these governmental programs. Self-pay accounts are analyzed for collectability based on the months past due and payment history. Accounts that are determined to be uncollectible are sent to a collection agency and written off at that time. An allowance for uncollectible accounts is provided in an amount equal to the estimated losses to be incurred in collection of the receivables. The allowance is based on historical collection experience and a review of the current status of the existing receivables.

In addition, the Medical Center has entered into payment agreements with certain commercial insurance carriers, other health maintenance organizations, and preferred provider organizations. The basis for payment to the Medical Center under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Risk Management

The Medical Center is exposed to various risks of loss from torts, theft of, damage to, and destruction of assets, business interruption, professional liability, errors and omissions, employee injuries and illnesses, and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters; the Medical Center is self-insured for amounts up to a specified level of health and dental coverage for its employees. The estimated liability is the total estimated amount to be paid for all known claims or incidents and a reserve for incurred but not reported claims. No losses have exceeded insurance coverage during the past three years.

Wilson Medical Center

Notes to Combined Financial Statements (Dollars in Thousands)

Note 1. Summary of Significant Accounting Policies (Continued)

Recently Adopted Accounting Pronouncements

In 2013, the Medical Center adopted GASB No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. Statements No. 14 and No. 34 were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. This Statement also clarifies the reporting of equity interests in legally separate organizations. This Statement had no effect on the inclusion of Generations and the Foundation as component units.

In 2013, the Medical Center adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' committee on Accounting Procedure issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. The requirements of this Statement will improve financial reporting by contributing to the GASB's efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source. This Statement had no significant effect on the financial statements.

In 2013, the Medical Center adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provides financial reporting guidance for deferred outflows or resources and deferred inflows of resources and identifies net position as the residual of all other elements presented in the statement of financial position. The adoption of this Statement had no significant effect, except that "net assets" was effectively renamed "net position" in the basic financial statements and deferred outflows of resources were recognized.

Charity Care

The Medical Center provides, without charge or at amounts less than its established rates, charity care to patients who meet certain criteria under its charity care policy. Because the Medical Center does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenues. Charity care rendered by the Medical Center at established charges totaled approximately \$9,546 and \$13,219 for the years ended September 30, 2013 and 2012, respectively.

Based on the ratio of operating costs to gross charges, the estimated cost of providing charity care was approximately \$2,688 and \$3,984 for the years ended September 30, 2013 and 2012, respectively.

Wilson Medical Center

Notes to Combined Financial Statements (Dollars in Thousands)

Note 1. Summary of Significant Accounting Policies (Continued)

Electronic Health Record Incentive Program

The Electronic Health Record (EHR) incentive program was enacted as part of the American Recovery and Reinvestment Act of 2009 (ARRA) and the Health Information Technology for Economic and Clinical Health (HITECH) Act. These Acts provided for incentive payments under both the Medicare and Medicaid programs to eligible hospitals and providers that demonstrate meaningful use of certified EHR technology. The incentive payments are made based on a statutory formula and are contingent on systems continuing to meet the escalating meaningful use criteria. For the first payment year, the Medical Center must attest, subject to an audit, that it met the meaningful use criteria for a continuous 90-day period. For the subsequent payment year, the Medical Center must demonstrate meaningful use for the entire year. The incentive payments are generally made over a 4-year period. During 2013, the Medical Center recorded approximately \$2.3 million of EHR revenue in net patient services revenue.

Fair Value of Financial Instruments

The Medical Center's primary financial instruments are cash and cash equivalents, investments and long-term debt. The fair values of these instruments are based on market quotations for similar instruments and present value calculations using market interest rates. Based on the Medical Center's calculation of fair value, the Medical Center believes there is no material difference in the carrying value and fair value of these instruments.

Investment Risks and Uncertainties

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could be material.

Pension Plan

The Medical Center maintains a single-employer defined benefit pension plan covering substantially all of its employees. The Medical Center recognizes pension expense under a systematic approach whereby the measurement of the pension expense for an accounting period is similar to the employer's calculated required contributions for that period, in accordance with an established and actuarially sound funding policy.

Subsequent Events

The Medical Center has evaluated its subsequent events (events occurring after September 30, 2013) through December 9, 2013, which represents the date the financial statements were available to be issued.

Note 2. Designated Net Position

Of the \$140,536 and \$128,917 of unrestricted net position at September 30, 2013 and 2012, respectively, the Board of Directors has designated \$108,820 and \$99,965 for capital improvements at September 30, 2013 and 2012, respectively. Designated funds remain under the control of the Board of Directors which may, at its discretion, use the funds for other purposes. Designated funds are reflected in noncurrent cash and investments.

Wilson Medical Center

Notes to Combined Financial Statements (Dollars in Thousands)

Note 3. Net Patient Service Revenue

The Medical Center has agreements with third-party payors that provide for payments to the Medical Center at amounts different from its established rates

The Medical Center renders services to patients under contractual arrangements with the Medicare and North Carolina Medicaid programs which provide for payments based on either predetermined rates or the costs of services, which are generally less than the Medical Center's customary charges. A provision is deducted each year from the gross patient service revenues to reflect net patient service revenues earned under the Medicare and Medicaid programs. Final determination of amounts earned is computed using annual reports submitted by the Medical Center that are subject to review and adjustment by the program intermediaries. Changes resulting from final determination are reflected as changes in estimates in the year of determination. In the opinion of management, adequate provision has been made for adjustments, if any, that may result from such reviews. The Medical Center's cost reports have been audited by the Medicare and Medicaid fiscal intermediaries through September 30, 2007.

Because Wilson Medical Center services a disproportionate share of low-income patients, it has historically received additional Medicaid reimbursement payments under the State of North Carolina's "Medicaid Reimbursement Initiative" (the MRI Program). This program was eliminated in 2011. During 2011, The State of North Carolina enacted legislation (The Gap Assessment Program) intended to implement a program in which hospitals pay an assessment designed to increase Medicaid support to the state such that the state can supplement existing Medicaid and disproportionate-share payments under the prior MRI program. The state was required to have its Medicaid Plan Amendment related to this legislation approved by CMS before the Gap Assessment Program could proceed. This approval was not received until 2012.

Wilson Medical Center received approximately \$5.8 million of these funds during the year ended September 30, 2013 and recognized approximately \$5.5 million in net patient revenue during the year ended September 30, 2013. The Medical Center neither received nor recognized any amounts for 2012.

The Medical Center has included in estimated third-party settlements estimated supplemental payments due under the program at amounts management considers insignificant.

Budget Neutrality

During 2012, The Center for Medicare & Medicaid Services (CMS) settled a Budget Neutrality Adjustment Issue dating back to fiscal year 2004. In March 2012, the Federal District Court issued an order to the federal government requesting it comply with D.C. Circuit Court decision in January 2011 in favor of the Lead Group of Hospitals (Cape Cod). In August 2011, Medicare issued final rules for the fiscal year ending 2012 and included the adjustment prospectively. The case was settled in May 2012. The Medical Center received payments of \$1,444, net of cost in 2012. The Medical Center received no additional dollars in fiscal year 2013.

Wilson Medical Center

Notes to Combined Financial Statements (Dollars in Thousands)

Note 3. Net Patient Service Revenue (Continued)

Recovery Audit Contractor Audits

In 2005, the CMS announced a new demonstration project using recovery audit contractors (RAC) as a part of CMS's further efforts to assure accurate payments. The project uses the RAC to search for potentially improper Medicare payments that may have been made to health care providers and that were not detected through existing CMS program integrity efforts.

The five-state pilot project concluded in March 2008 with a nationwide rollout in phases that began in 2009. The Medical Center has experience with the RAC auditors who have made requests for a total of 468 records, resulting in the identification of approximately \$1.2 million of overpayments. The Medical Center expects an increase in volume of claims reviewed as well as a shift to areas of higher potential exposure. The Medical Center has recorded an estimated reserve for estimated assessments under future RAC audits of approximately \$1.2 million.

On September 16, 2011, CMS published the Final Rule for Medicaid RAC. Under the Medicaid RAC program, states must enter into contracts with one or more eligible Medicaid RACs to perform post-payment audits in order to identify Medicaid payments that may have been underpaid or overpaid. North Carolina Medicaid (DMA) partnered with Public Consulting Group (PCG) and HMS to be RAC vendors. Initial audits began in October, 2012 and the RAC program is active in North Carolina. The Medical Center expects an increase in the volume of claims reviewed as well as a shift to areas of higher potential exposure. The Medical Center has recorded an estimated reserve for estimated assessments under future RAC audits for Medicaid of \$1.0 million.

Net Patient Receivables

Net patient service revenues for the years ended September 30, 2013 and 2012, are as follows:

	2013	2012
Gross Charges	\$ 468,960	\$ 448,726
Less charity care	(9,546)	(13,219)
Gross patient service revenue	459,414	435,507
Contractual, bad debt adjustments		
Medicare allowances	174,343	161,266
Medicaid allowances	60,749	52,142
Provision for bad debts	36,759	27,869
Other contractual adjustments	58,539	60,584
	330,390	301,861
Net patient service revenue	\$ 129,024	\$ 133,646

Wilson Medical Center

Notes to Combined Financial Statements (Dollars in Thousands)

Note 4. Deposits and Investments

Cash, cash equivalents and investments (excluding Pension Plan investments) at September 30, 2013 and 2012, are set forth in the following tables

	2013	2012
Cash on hand	\$ 6	\$ 6
Deposit accounts	16,656	19,556
Other cash and cash equivalents	1,676	4,420
North Carolina Capital Management Trust (NCCMT)	7	3,506
Equity securities	71,220	64,623
Fixed income securities	17,431	16,005
Fixed income bond funds	9,153	4,119
	<u>\$ 116,149</u>	<u>\$ 112,235</u>

Cash, cash equivalents and investments of the Medical Center (excluding the Pension Plan) as of September 30, 2013 and 2012, are carried on the balance sheets in the following captions

	2013	2012
Current Assets		
Cash and cash equivalents	\$ 5,827	\$ 9,317
Noncurrent Cash and Investments		
Board designated	108,820	99,965
Held by trustees	796	2,321
Restricted by donors	706	632
	<u>\$ 116,149</u>	<u>\$ 112,235</u>

Wilson Medical Center

Notes to Combined Financial Statements (Dollars in Thousands)

Note 4. Deposits and Investments (Continued)

Bank Deposits

Bank deposits are held in several financial institutions. There are no specific statutes that govern the Medical Center's deposits. As of September 30, 2013, those financial institutions were each insured by the Federal Deposit Insurance Corporations (FDIC) for deposits up to \$250 for all accounts, in each institution. As of September 30, 2012, those financial institutions were each insured by the FDIC for unlimited amounts deposited in non-interest bearing accounts and for deposits up to \$250 in interest-bearing accounts. At times, the carrying amount of bank deposits, including amounts classified as cash and cash equivalents, exceeded FDIC coverage amounts and were uninsured and uncollateralized, however, management believes the risk of loss is not considered significant. The Medical Center had the following deposit accounts as of September 30, 2013, of which \$16,984 of bank value is not covered by FDIC insurance.

	Carrying Value	Bank Value
All deposit accounts	\$ 16,656	\$ 17,484

The Medical Center had the following deposit accounts as of September 30, 2012, of which \$20,211 of bank value is not covered by FDIC insurance.

	Carrying Value	Bank Value
Interest Bearing Deposit Accounts and Other Deposits	\$ 19,555	\$ 21,249
Non-interest Bearing Deposit Accounts	1	1
	\$ 19,556	\$ 21,250

Investments

The Medical Center's noncurrent cash and investments are categorized to give an indication of the level of risk assumed by the Medical Center. All of the Medical Center's investments and assets limited as to use are presented below and include investments that are insured or registered or for which the securities are held by the Medical Center or its agent in the Medical Center's name.

Investment income for the years ended September 30, 2013 and 2012, is set forth in the following table.

	2013	2012
Realized gains, interest and dividends	\$ 7,925	\$ 1,917
Unrealized gains (losses), net	4,148	12,312
	\$ 12,073	\$ 14,229

Interest Rate Risk The Medical Center does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. See weighted average maturity (in years) in table under Credit Risk.

Wilson Medical Center

Notes to Combined Financial Statements

(Dollars in Thousands)

Note 4. Deposits and Investments (Continued)

Credit Risk The Medical Center's policy allows it to invest in U S Treasury Obligations, high-quality corporate debt, commercial paper and common stock funds that will provide a reasonable return at an accepted level of risk. The Medical Center's investments in the NCCMT Cash Portfolio carried a rating of AAA by Standard & Poor's (S&P) as of September 30, 2013 and 2012.

Investments in fixed income securities carried the following S&P ratings as of September 30, 2013

Rating	Market Value	Concentration	Weighted Average Maturity (in years)
AAA	\$ 337	1 3%	24 65
AA+	3,547	13 3%	7 87
AA	1,808	6 8%	9 92
AA-	4,189	15 7%	7 74
A	2,434	9 2%	4 15
A+	1,063	4 0%	5 06
A-	2,952	11 1%	8 29
BBB+	1,180	4 4%	9 33
BBB	1,031	3 9%	10 77
Below BBB	217	0 8%	4 36
Unrated	7,826	29 5%	12 60
Total	<u>\$ 26,584</u>	<u>100 0%</u>	

Investments in fixed income securities carried the following S&P ratings as of September 30, 2012

Rating	Market Value	Concentration	Weighted Average Maturity (in years)
AAA	\$ 401	2 0%	7 17
AA+	1,822	9 1%	5 24
AA	1,250	6 2%	11 23
AA-	318	1 6%	10 66
A	1,587	7 9%	3 77
A+	525	2 6%	4 76
A-	1,191	5 9%	8 62
BBB+	504	2 5%	5 03
BBB	1,158	5 8%	5 12
Below BBB	538	2 7%	6 12
Unrated	10,830	53 7%	15 10
Total	<u>\$ 20,124</u>	<u>100 0%</u>	

Concentration of Credit Risk The Medical Center places no limit on the amount it may invest in any one issuer. At times, the Medical Center's investments in any one issuer may exceed five percent of total investments. The Medical Center believes these issuers are high-quality institutions and the risk of loss is not considered significant. As of September 30, 2013 and 2012, there were no investments in any one issuer that accounted for more than five percent of total investments.

Wilson Medical Center

Notes to Combined Financial Statements (Dollars in Thousands)

Note 4. Deposits and Investments (Continued)

Pension Trust Investments

The Plan's investments consisted of the following as of September 30, 2013

Mutual Funds	
MF Delaware Extended Duration A Fund	\$ 12,722
Pooled Separate Accounts	
Principal Global Bond and Mortgage	20,171
Principal Global Money Market	30,256
	<u>\$ 63,149</u>

The Plan's investments consisted of the following as of September 30, 2012

Mutual Funds	
American Century Inflation Adjusted Treasury Adv Fund	\$ 6,083
MF Delaware Extended Duration A Fund	5,215
MFS Blended Research Core Equity R4	3,661
MFS Value A Fund	3,632
Wells Fargo Advantage Growth I Fund	3,629
Pooled Separate Accounts	
Principal Global Small Cap Stock Index	2,739
Principal Global Mid Cap Stock Index	4,056
Principal Global Large Cap Stock Index	9,653
Principal Global Diversified International	7,593
Principal Global Real Estate Secs	3,577
Principal Global Bond and Mtg	3,371
Pimco Core Plus Bond I SA-12	5,054
	<u>\$ 58,263</u>

The Plan is subject to State Statutes governing investments of pension plans, which generally provides for any type of investment subject to the "prudent person rule"

Interest Rate Risk The Plan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. The Plan may invest in interest-generating investments, such as bonds, long-term and short-term funds, money market and treasury bills. The percentage for each type of investment type may vary depending upon market conditions. See weighted-average maturity (in years) in table under Credit Risk.

Wilson Medical Center

Notes to Combined Financial Statements (Dollars in Thousands)

Note 4. Deposits and Investments (Continued)

Credit Risk Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan's investment policy monitors the Plans investments against peer group performance. Investments in fixed income securities carried the following S&P ratings as of September 30, 2013

Rating	Principal Global Bond and Mortgage % Bonds	Principal Money Market % Bonds	Delaware Extended Duration A Fund % Bonds
AAA	51.14%		2.86%
AA	2.29%		9.18%
A	10.84%		16.31%
BBB	21.12%		52.21%
BB	6.76%		9.05%
B	5.63%		7.19%
Below B	2.22%		2.59%
Not Rated	0.00%		0.61%
A1+		29.00%	
A1		64.00%	
A2		7.00%	
Fund as percentage of total plan assets	31.94%	47.91%	20.15%
Weighted Average Maturity	7.77 Years	51 Days	18.39 years

Investments in fixed income securities carried the following S&P ratings as of September 30, 2012

Rating	American Century Inflation Adjusted Treasury Adv Fund % Bonds	Principal Global Bond and Mtg % Bonds	Pimco Core Plus Bond I SA-12 % Bonds	Delaware Extended Duration A Fund % Bonds
AAA	95.36%	53.58%	63.51%	4.95%
AA	0.68%	2.62%	10.58%	5.31%
A	2.16%	12.38%	6.25%	22.88%
BBB	1.63%	20.01%	12.54%	53.87%
BB	0.09%	5.12%	3.95%	6.90%
B	0.06%	4.73%	1.29%	4.19%
Below B	0.00%	1.56%	1.88%	1.73%
Not Rated	0.00%	0.00%	0.00%	0.17%
Fund as percentage of total plan assets	10.44%	5.79%	8.67%	8.95%
Weighted Average Maturity	9.36 Years	8.04 Years	6.52 Years	19.65 years

Wilson Medical Center

Notes to Combined Financial Statements (Dollars in Thousands)

Note 4. Deposits and Investments (Continued)

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments and other assets that are in possession of an outside third party. The Plan's investments are registered in the name of and held by the Delaware Charter Guarantee & Trust Company doing business as Principal Trust Company and identified in Principal Trust Company's records as belonging to the Plan.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a Plan's investment in a single issuer. The Plan's investment policy targets a strategic asset class allocation.

Due to the level of risks associated with investment securities, it is at least reasonably possible that changes in the value of the Pension Trust's investment securities will occur in the near term and those changes could materially affect the amounts reported in the statement of fiduciary net assets.

Note 5. Accounts Receivable

The Medical Center provides services to the residents of Wilson and surrounding counties without collateral. An allowance for uncollectible accounts is provided in an amount equal to the estimated losses to be incurred in collection of the receivables. The allowance is based on historical collection experiences and a review of the current status of the existing receivables. The mix of receivables from patients and third-party payors at September 30, 2013 and 2012, were as follows:

	2013	2012
Receivable from patients	\$ 25,458	\$ 27,411
Receivable from third-party payors other than Medicare and Medicaid	6,919	6,177
Receivable from Medicare	6,386	5,830
Receivable from Medicaid	3,749	3,164
Total patient accounts receivable	42,512	42,582
Less allowance for doubtful accounts	(15,878)	(17,144)
Patient accounts receivable, net	\$ 26,634	\$ 25,438

Note 6. Other Assets

Other assets at September 30, 2013 and 2012, consisted of the following:

	2013	2012
Prepaid pension asset (Note 9)	\$ 6,004	\$ 2,670
Deferred financing costs, net of accumulated amortization of \$570 (2013) and \$524 (2012)	226	271
Other	541	598
Total other assets	\$ 6,771	\$ 3,539

Wilson Medical Center

Notes to Combined Financial Statements (Dollars in Thousands)

Note 7. Capital Assets

Effective October 8, 1986, Wilson County transferred to Wilson Medical Center the title to County-owned property and equipment. In consideration thereof, Wilson Medical Center agreed to certain covenants. Should the Medical Center fail to meet these covenants, the transferred properties may revert back to Wilson County.

Capital asset additions, retirement, transfers, and balances for the year ended September 30, 2013 are as follows:

	September 30, 2012	Transfers/ Additions	Transfers/ Retirements	September 30, 2013
Property and equipment				
Land	\$ 2,417	\$ -	\$ -	\$ 2,417
Land improvements	4,161	194	-	4,355
Buildings and improvements	83,103	7,726	(56)	90,773
Equipment	85,185	5,873	(1,075)	89,983
Construction in progress	8,380	11,082	(18,107)	1,355
Total	183,246	24,875	(19,238)	188,883
Accumulated depreciation				
Land improvements	(3,372)	(244)	-	(3,616)
Buildings and improvements	(50,297)	(2,919)	-	(53,216)
Equipment	(59,501)	(6,169)	821	(64,849)
Total	(113,170)	(9,332)	821	(121,681)
Capital assets	<u>\$ 70,076</u>			<u>\$ 67,202</u>

Note 8. Long-Term Debt

A summary of long-term debt at September 30, 2013 and 2012, is as follows:

	2013	2012
Capital appreciation serial bonds, maturing November 1, 2012, through November 1, 2016 (with yield to maturity of 5.6% to 5.7%) (1997 series bonds)	\$ 8,212	\$ 10,661
Current interest serial bonds, maturing through November 1, 2027, with interest rates ranging from 4.125% to 5.25% (2007 series bonds)	22,420	22,862
	<u>30,632</u>	<u>33,523</u>
Plus unamortized bond premium, net	313	361
Less current maturities	<u>(1,590)</u>	<u>(1,652)</u>
	<u>\$ 29,355</u>	<u>\$ 32,232</u>

Wilson Medical Center

Notes to Combined Financial Statements (Dollars in Thousands)

Note 8. Long-Term Debt (Continued)

Changes in long-term debt during the year ended September 30, 2013 were as follows

	September 30, 2012	Additions	Reductions/ Transfers	September 30, 2013	Current Portion
Revenue bonds	\$ 33,523	\$ 623	\$ (3,514)	\$ 30,632	\$ 1,590
Less unamortized premium and deferred loss on refunding	361	-	(48)	313	-
Total noncurrent liabilities	\$ 33,884	\$ 623	\$ (3,562)	\$ 30,945	\$ 1,590

During 2007, the Company, the Medical Center, Home Care and Generations (the Obligated Group) issued \$33,825 of Hospital Revenue Bonds (the 2007 Bonds) dated August 1, 2007, through the North Carolina Medical Care Commission. The Medical Center used the proceeds from the sale of the bonds to refund a portion of the Series 1997 bonds maturing on November 1, 2008 through 2011, inclusive, 2018 and 2020 (the Refunded Bonds), to pay the cost of acquisition and installation of certain hospital equipment to be used by the corporation, and to pay certain expenses incurred in connection with the issuance of the Series 2007 bonds. The difference between the bonds' fixed rates and current market rates resulted in a \$693 difference between the face amount of the bonds and the selling price of the bonds. The difference, reported in the accompanying financial statements as bond premium, is being recognized as a reduction in interest expense over the remaining life of the original bonds. The unamortized bond premium was approximately \$313 and \$361 at September 30, 2013 and 2012, respectively. The Medical Center completed the advance refunding to reduce its total debt service payments over the next 12 years by approximately \$938 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of approximately \$178.

During 1997, the Obligated Group, through the North Carolina Medical Care Commission, issued \$50,953 of Hospital Revenue Bonds (the 1997 Bonds) dated February 1, 1997, with the executed contract of purchases dated March 5, 1997. The Medical Center used the proceeds from the sale of the bonds to advance refund all of the 1990 Series Bonds, including unamortized bond discounts and issuance costs, to pay the premium for the Municipal Bond Insurance Policy issued in connection with the bonds, and to pay expenses incurred in connection with the issuance of the bonds. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$5,736. This difference, a deferred loss reported in the accompanying financial statements as a deduction from bonds payable, is being amortized as additional interest expense over the remaining life of the original bonds. The remaining net deferred advanced refunding loss was approximately \$1,148 and \$1,322 at September 30, 2013 and 2012, respectively, which is recorded in deferred outflows of resources in the combined balance sheets. The Medical Center completed the advance refunding to reduce its total debt service payments over the next 21 years by approximately \$12,000 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of approximately \$1,790.

Under the terms of the bond indenture, the Obligated Group is required to comply with certain restrictive covenants, including the maintenance of specified debt service ratios, the limitation on incidence of additional debt, the limitation on liens, and the limitation on transfers of assets.

The Obligated Group has pledged and granted a collateralized interest in the accounts receivable and proceeds thereof as security for the payment of the amounts due under the bond obligation.

Wilson Medical Center

Notes to Combined Financial Statements (Dollars in Thousands)

Note 8. Long-Term Debt (Continued)

The maturities of long-term debt, including interest, at September 30, 2013, are as follows

Year Ending September 30,	Principal	Interest	Total Debt Service
2014	\$ 1,590	\$ 2,898	\$ 4,488
2015	3,450	1,031	4,481
2016	3,470	1,014	4,484
2017	2,527	996	3,523
2018	3,515	1,856	5,371
2019 - 2023	12,770	1,937	14,707
2024 - 2028	3,310	425	3,735
	<u>\$ 30,632</u>	<u>\$ 10,157</u>	<u>\$ 40,789</u>

Note 9. Pension Plan

The Medical Center sponsors and has fiduciary responsibility for the Plan

General

The Plan is a non-contributory, single employer defined benefit pension plan established October 1, 1967. The Plan was amended and restated throughout the years to comply with tax legislation, most recently restated October 1, 2007, and most recently amended effective October 1, 2010. This amendment also changed the name of the Plan from WilMed Healthcare Employees' Retirement Plan effective October 1, 2010.

The Plan covers substantially all employees of the Medical Center and its affiliated employers. Employees become participants on April 1 or October 1 following completion of one year of employment and 1,000 hours of service and attaining age 21. The Plan excludes non-resident aliens with no U.S. source income. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Effective April 1, 2009, certain participants' benefits are provided through cash balance benefits. Active participants as of March 31, 2009, whose age plus years of service as of September 30, 2009, is 60 or more are considered "grandfathered" participants and will continue to accrue benefits as described below in "Pension Benefits." Active participants as of March 31, 2009, whose age plus years of service as of September 30, 2009 is less than 60, are considered "non-grandfathered" participants, and any employee who enters the Plan on or after April 1, 2009, will accrue cash balance benefits as described in the following paragraph.

An opening cash balance was calculated by the Plan's actuary for every "non-grandfathered" participant who was an active participant on March 31, 2009, based on the actuarially equivalent present value of benefits accrued through September 30, 2008, under the "grandfathered" method. Thereafter, the "non-grandfathered" participant's cash balance will be increased annually with contribution credits ranging from 3% to 4% of compensation depending on years of service and interest credits.

Notes to Combined Financial Statements
(Dollars in Thousands)

Note 9. Pension Plan (Continued)

Frozen Status

Effective March 31, 2012, the Plan was frozen for participation and benefit accruals. Any person who was not a Participant on March 31, 2012, shall not become a Participant nor shall resume participation due to rehire or ceasing to become an excluded classification. No Participant shall be credited with any Credited Service after March 31, 2012 and no compensation that relates to any periods after March 31, 2012 shall be included in any Participant's Final Average Compensation, such that each Participant's Final Average Compensation shall be determined as if Participant terminated all services as of March 31, 2012. Participants shall continue to accrued services under the Plan for purposes of service requirement for payment of a deferred vested benefit prior to the Normal Retirement Age and for any other purpose under the Plan that is not related to accrual of benefits.

Pension Benefits

Participants with three or more years of vesting service at normal retirement age (65), are entitled to monthly benefits equal to 1% of the participant's highest annual average compensation during any five consecutive calendar years within the calendar years immediately prior to their normal retirement date (final average compensation) multiplied by their years of credited service, plus 0.65% of their final average compensation in excess of the applicable Social Security covered compensation in effect for the Plan year multiplied by their years of credited service (subject to a maximum of 35 years). The minimum normal retirement benefit is \$50.00 per month. Early retirement is allowed at ages 55 – 64 for those participants who have completed 15 years of service. Early retirement benefits are reduced by certain percentages for each year retirement age is under normal retirement age. If Participants terminate before rendering three years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to the Hospital's contribution unless termination is due to normal retirement, death, or disability.

Participants may elect to receive the value of their accumulated plan benefits as described in the Plan's separate stand-alone financial report.

Death and Disability Benefits

In the event of the death of a vested Participant prior to the date of receiving a monthly pension benefit under the Plan, the Participant's surviving spouse or beneficiary will be entitled to receive a monthly pension benefit as specified in the Plan.

A Participant will be eligible for disability retirement benefits, as specified in the Plan, if they are eligible for disability benefits under any Hospital-sponsored disability income plan or are otherwise considered totally and permanently disabled as determined by either (1) a licensed Physician chosen by the Retirement Committee of the Plan, or (2) the Social Security Administration.

Payment of Benefits

The Plan allows for mandatory cash-out for terminated participants. If the actuarial equivalent of the accrued benefit is \$1 or less, it will be automatically distributed without the Participant's consent.

Vesting

Vesting is based on years of continuous service. Effective April 1, 2009, a Participant is 100% vested after three years of credited service. There is no vesting for less than three years of service. Prior to April 1, 2009, a Participant was 100% vested after five years of credited service.

Wilson Medical Center

Notes to Combined Financial Statements (Dollars in Thousands)

Note 9. Pension Plan (Continued)

Contributions

The Medical Center is required to make contributions to the Plan to meet the minimum funding requirements established by ERISA. Generally, the Pension Benefit Guaranty Corporation reserves the right to terminate the Plan if the Medical Center fails to meet the minimum funding standards, or is unable to pay benefits when due. The Medical Center's employees are not required to contribute to the Plan. The Medical Center's funding policy is based upon actuarially calculated amounts to fund normal pension costs and any unfunded accrued liability.

The annual required contribution was computed as a part of an actuarial valuation performed as of October 1, 2012, using the Projected Unit Credit cost method using an open amortization period of 20 years. Significant actuarial assumptions used in the valuation include the following:

	2013	2012
Discount rate	7%	8%
Rate of return on Plan assets	6.5%	8%
Projected salary increases	-	4% - 6%

The Actuarial Value of Assets is determined as the average of the Market Value of Assets as of the current Valuation Date and the Adjusted Market Value of Assets for the prior two years, based on the Market Value of Assets as of the prior two Valuation Dates. The adjustment to the prior year's Market Value of Assets reflects intervening cash flows (including employer contributions, benefit payments, and administrative expenses) and an expected return on assets from the prior Valuation Date to the current Valuation Date. The expected return on assets is limited to a rate no higher than the 3rd segment of the IRS prescribed segmented yield curve rates. The Actuarial Value of Assets is limited to an amount that does not differ from the Market Value of Assets as of the Valuation Date by more than 10%.

The annual pension cost and net pension asset as of and for the years ended September 30, 2013 and 2012, are as follows:

	2013	2012
Annual required contribution	\$ 142	\$ 1,838
Interest on net pension obligation	(174)	(270)
Adjustment to annual required contribution	242	343
Annual pension cost	210	1,911
Contributions made	(3,544)	(1,207)
Decrease in prepaid pension asset	(3,334)	704
Prepaid pension asset, beginning of year	(2,670)	(3,374)
Prepaid pension asset, end of year (Note 6)	\$ (6,004)	\$ (2,670)

Wilson Medical Center

Notes to Combined Financial Statements (Dollars in Thousands)

Note 9. Pension Plan (Continued)

Three-year trend information

	Annual Pension Cost (APC)	Percent of APC Contributed	Pension Obligation (Prepaid)
2013	\$ 210	1688%	\$ (6,004)
2012	1,911	63%	(2,670)
2011	1,538	65%	(3,374)

As of October 1, 2012, the most recent actuarial valuation date, the Plan was 97% funded. The actuarial accrued liability for benefits was \$59,816 and the actuarial value of plan assets was \$58,252, resulting in an unfunded actuarial liability of \$1,564. The covered payroll was \$38,213 and the ratio of the unfunded actuarial accrued liability as a percent of covered payroll was 4%.

Funding Policy

The Medical Center's funding policy is to make quarterly contributions to the Plan in amounts estimated to be sufficient to provide the Plan with assets with which to pay pension benefits to the Plan's participants. The Contributions requirements are determined annually by the Plan's actuary as of October 1 of the Plan Year.

Significant Accounting Policies of the Wilson Pension Plan

The Wilson Pension Plan prepares its financial statements on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America. Benefit payments to participants are recorded upon distribution. Certain administrative expenses of the Plan are paid by the Medical Center. Investments are recorded at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments in mutual funds are valued at the net asset value (NAV) of the shares held by the Plan at year-end. Investment in the pooled separate accounts are valued using the NAV of units, which are based on observable market prices for the underlying assets, held by the Plan at year-end. The Plan's year-end is September 30.

The Plan issues a separate, stand-alone financial report that can be obtained by contacting the offices of the Chief Financial Officer, Wilson Medical Center, 1705 Tarboro Street SW, Wilson, NC 27893. The Plan was created by act of the Trustees of Wilson Medical Center, who have the authority to amend or terminate the plan.

The schedule of funding progress, presented as Required Supplementary Information, following the Notes to Financial Statements, presents multi-year trend information about whether the actuarial value of Plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Supplemental Retirement Plans

The Medical Center offers members of the executive team a retirement plan created in accordance with the Internal Revenue Code, Section 457(b). The Medical Center is not required to match employee contributions or make employer contributions to the plan. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in the Medical Center's financial statements.

Wilson Medical Center

Notes to Combined Financial Statements (Dollars in Thousands)

Note 9. Pension Plan (Continued)

In addition, the Medical Center offers supplemental retirement plans under IRC Section 457(f) to members of the executive team. The Medical Center has recorded a liability of approximately \$464 as of September 30, 2013 and 2012, in accordance with the provisions of these plans.

Note 10. Defined Contribution Retirement Plan

The Medical Center has a salary deferral plan under IRC Section 403(b) for all employees. The plan allows all employees to defer a portion of their salary up to the maximum amount allowed by the Code. The Medical Center matches 50% of participants' contributions up to 4% of their annual salary. Employer contributions totaled \$641 and \$659 and employee contributions totaled \$2,979 and \$3,011 to the plan for the years ended September 30, 2013 and 2012, respectively.

Note 11. Commitments and Contingencies

Professional Malpractice Liability Insurance

The Medical Center transfers risks of malpractice losses to an insurance company under a "claims-made" policy. There are two levels of coverage, the first (professional liability) level of coverage includes a limit of \$1,000 per claim and \$3,000 in the aggregate. The second (excess liability) level of coverage is limited to \$8,000 per claim and in the aggregate. The Medical Center has a \$75 per claim deductible up to \$225 in the aggregate per year. Losses from asserted claims and from unasserted claims identified under the Medical Center's incident reporting system, and possible losses attributable to incidents that may have occurred but that have not been identified under the incident reporting system, are accrued based on estimates that incorporate the Medical Center's past experience, as well as other considerations including the nature of each claim or incident and relevant trend factors. The Medical Center has outstanding claims with respect to malpractice liability, which have been incurred in the ordinary course of business. The outstanding claims are in various stages of discovery for which an estimate of the potential liability has been recorded. Management does not believe these claims will have a material adverse effect on the future financial position of the Medical Center. As of September 30, 2013 and 2012, the Medical Center had accrued a liability of approximately \$812 and \$879, respectively, for estimated premiums and liabilities related to this program, which is included in Other Liabilities.

Self-Insurance Liabilities

The Medical Center is self-insured for group health and dental claims. A stop-loss policy with an insurance company provides coverage for hospitalization claims in excess of \$115 for each individual claim as of September 30, 2013 and 2012, and \$2,000 and \$1,250 in aggregate as of September 30, 2013 and 2012, respectively. The Medical Center provides coverage for dental claims up to \$1 per participant for each calendar year. It is management's opinion that the outstanding exposure on asserted unpaid and incurred but not reported claims as of September 30, 2013, has been provided for in the accompanying financial statements, and that additional liability for such claims, if any, will not have a material adverse effect on the Medical Center's financial statements.

Wilson Medical Center

Notes to Combined Financial Statements (Dollars in Thousands)

Note 11. Commitments and Contingencies (Continued)

Following is a reconciliation of changes in the Medical Center's recorded liability for group health insurance

	2013	2012
Beginning liability	\$ 973	\$ 772
Provisions for claims	8,852	8,443
Payments for claims	(7,320)	(7,086)
Administrative fees	(1,294)	(1,156)
Ending liability	<u>\$ 1,211</u>	<u>\$ 973</u>

Workers' Compensation Liabilities

The Medical Center is insured for workers' compensation claims through a commercial insurance company, and accordingly, the Medical Center has not recorded a liability for workers' compensation claims. In 2003, the Medical Center's former insurance carrier for workers' compensation insurance was placed into liquidation and unable to pay certain claims against the Medical Center. As a result, the Medical Center became exposed to potential liabilities for workers' compensation claims incurred prior to September 30, 2001. Two such claims remain unsettled, and the Medical Center has accrued an estimated liability of approximately \$1,039 and \$1,040 as of September 30, 2013 and 2012, respectively, related to its estimated uninsured liability for these claims, which is included in Trade Accounts Payable.

Litigation

Claims have been asserted against the Medical Center in the ordinary course of business and are in various stages of litigation. In the opinion of management, these actions can be successfully defended or resolved without material adverse effect on the financial position of the Medical Center.

Health Care Legislation and Regulation

The health care industry is subject to numerous laws and regulations of Federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, 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. Violation of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

Management believes that the Hospital is in substantial compliance with fraud and abuse as well as other applicable government laws and regulations. While no regulatory inquiries have been made, compliance with such laws and regulations is subject to government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

Wilson Medical Center

Notes to Combined Financial Statements (Dollars in Thousands)

Note 11. Commitments and Contingencies (Continued)

Lease Obligations and Service Agreements

The Hospital leases office facilities and equipment under operating leases and has various service and maintenance agreements which expire at various times through 2017. Total rent expense and service obligations for the year ended September 31, 2013 and 2012 was \$4,166 and \$4,592, respectively. Future minimum lease payments at September 31, 2013, are as follows:

Year Ending September 30,	Amount
2014	\$ 1,229
2015	531
2016	137
2017	4
	<u>\$ 1,901</u>

Construction Contracts

The Medical Center has entered a contract with a general contractor to make improvements to the central energy plant. The project's total cost was approximately \$7,472 and was included in construction in progress at September 30, 2012. The project was completed in November 2012 and there are no other significant construction commitments outstanding at September 30, 2013.

Note 12. Pending GASB Statements

The GASB has issued several pronouncements prior to September 30, 2013, that have effective dates that may affect future financial presentations.

In March 2012, The GASB issued GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities." This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the effect of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term "deferred" in financial statement presentations. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012, with earlier application encouraged. Management is currently evaluating the effect GASB No. 65 will have on its financial statements.

Wilson Medical Center

Notes to Combined Financial Statements (Dollars in Thousands)

Note 12. Pending GASB Statements (Continued)

In March 2012, GASB issued GASB Statement No. 66, "Technical Corrections – 2012, An Amendment of GASB Statements No. 10 and No. 62." The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from issuance of two pronouncements: Statements No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" regarding fund type classification, and No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30 1989 FASB and AICPA Pronouncements" regarding accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012, with earlier application encouraged. Management does not expect the implementation of the Statement to have a significant effect on the financial statements.

In June 2012, GASB issued GASB Statement No. 67, "Financial Reporting for Pension Plans, an Amendment of GASB Statement No. 25." The objective of this Statement is to improve financial reporting by state and local pension plans. This Statement and Statement No. 68 establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement – determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013, with earlier application encouraged. Management is currently evaluating the effect GASB No. 67 will have on its financial statements.

In June 2012, GASB issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The objective of this statement is to establish new accounting and financial reporting requirements for governments that provide their employees with pensions. The requirements in this Statement will change how governments calculate and report the costs and obligations associated with pensions and improve the decision-usefulness of reported pension information and increase the transparency, consistency, and comparability of pension information across governments. This statement will be effective for the Medical Center's fiscal year ending September 30, 2015. Management is currently evaluating the effect GASB No. 68 will have on its financial statements.

In 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. This statement will be effective for the Medical Center's fiscal year ending September 30, 2015. Management has not evaluated the effect of adopting this Statement.

Wilson Medical Center

Notes to Combined Financial Statements (Dollars in Thousands)

Note 13. Proposed Partnership with Duke-LifePoint Healthcare

Wilson Medical Center's Board of Trustees, in concert with Executive Leadership, studied the changing healthcare landscape in North Carolina and the United States and the implementation of The Affordable Care Act approved by Congress and signed into law on March 23, 2010, which they believe will spur a trend toward consolidation into a marketplace where bigger isn't simply considered better, but essential to survive, as some industry experts believe. Wilson Medical Center used a consultant to facilitate a process of identifying the best partner for Wilson Medical Center and the community it serves. On July 23, 2013, the Board of Trustees announced a memorandum of understanding had been signed with Duke-LifePoint Healthcare. Under the terms of the proposed partnership, Wilson Medical Center and Duke-LifePoint Healthcare would share ownership and governance of the hospital with Duke-LifePoint Healthcare securing majority ownership. This would give access to LifePoint's capital and operations resources to expand and enhance service, invest in facilities and new technology, improve recruiting and retention of physicians, and provide access to Duke's clinical, quality and patient safety programs. The process has included a lengthy due diligence, a required public hearing process in Wilson County, and education sessions with Wilson County Commissioners. It will also require approval by the NC Attorney General's Office as well as approval by Wilson County for any change in the hospital's corporate structure. Wilson Medical Center anticipates receiving applicable approvals in early January with the actual merger anticipated on February 1, 2014.

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Wilson Medical Center

Required Supplementary Information - Schedule of Funding Progress (Unaudited)

Year Ended September 30, 2013

Actuarial Valuation Date	Plan Assets at Fair Value (a)	Actuarial Accrued Liability * (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as Percent of Covered Payroll ((b-a) /c)
10/01/06	\$ 44,967	\$ 46,063	\$ 1,096	98%	\$ 41,632	3%
10/01/07	54,014	48,113	(5,901)	112%	41,173	-14%
10/01/08	47,184	46,506	(678)	101%	44,713	-2%
10/01/09	47,239	48,128	890	98%	40,553	2%
10/01/10	50,726	50,742	16	100%	42,301	0%
10/01/11	49,481	53,714	4,233	92%	43,413	10%
10/01/12	58,252	59,816	1,564	97%	38,213	4%

* Determined using the Projected Unit Credit Actuarial Cost Method

Wilson Medical Center

Combining Balance Sheet

September 30, 2013

(Dollars in Thousands)

Assets and Deferred Outflows of Resources	Combined	Eliminations	Wilson Medical Center	WilMed Generations	WilMed Healthcare Foundation
Current Assets					
Cash and cash equivalents	\$ 5,827	\$ -	\$ 5,269	\$ 323	\$ 235
Patient accounts receivable, net	26,634	-	26,153	481	-
Other receivables	5,711	-	5,642	42	27
Receivable from affiliates	-	(9,107)	8,080	954	73
Inventories	3,835	-	3,831	4	-
Prepaid expenses	1,524	-	1,521	2	1
Total current assets	43,531	(9,107)	50,496	1,806	336
Property and Equipment, net	67,202	-	63,844	3,348	10
Assets Limited as to Use					
By Board for capital improvements	108,820	-	107,610	-	1,210
By Board, held by trustees	796	-	796	-	-
Restricted by donors	706	-	-	-	706
Total assets limited as to use	110,322	-	108,406	-	1,916
Other Assets	6,771	-	6,771	-	-
Total assets	227,826	(9,107)	229,517	5,154	2,262
Deferred outflows of resources, unamortized loss on debt issuance	1,148	-	1,148	-	-
Total assets and deferred outflows of resources	\$ 228,974	\$ (9,107)	\$ 230,665	\$ 5,154	\$ 2,262

Wilson Medical Center

Combining Balance Sheet

September 30, 2013

(Dollars in Thousands)

Liabilities and Net Position	Combined	Eliminations	Wilson Medical Center	WilMed Generations	WilMed Healthcare Foundation
Current Liabilities					
Trade accounts payable	\$ 6,671	\$ -	\$ 6,493	\$ 168	\$ 10
Due to health insurance programs	4,755	-	4,596	159	-
Payable to affiliates	-	(9,107)	7,261	1,755	91
Accrued salaries, wages, and other payroll-related expenses	4,131	-	3,888	239	4
Accrued interest payable	2,294	-	2,294	-	-
Group health insurance	1,211	-	1,211	-	-
Other liabilities	1,518	-	1,508	5	5
Current maturities of capital leases	-	-	-	-	-
Current maturities of long-term debt	1,590	-	1,590	-	-
Total current liabilities	22,170	(9,107)	28,841	2,326	110
Long-Term Debt, less current maturities	29,355	-	29,355	-	-
Total liabilities	51,525	(9,107)	58,196	2,326	110
Commitments and Contingencies					
Net Position					
Invested in capital assets	36,257	-	32,899	3,348	10
Restricted by donors	656	-	-	-	656
Unrestricted	140,536	-	139,570	(520)	1,486
Total net position	177,449	-	172,469	2,828	2,152
Total liabilities and net position	\$ 228,974	\$ (9,107)	\$ 230,665	\$ 5,154	\$ 2,262

Wilson Medical Center

Combining Statement of Revenues, Expenses and Changes in Net Position Year Ended September 30, 2013 (Dollars in Thousands)

	Combined	Eliminations	Wilson Medical Center	WilMed Generations	WilMed Healthcare Foundation
Operating Revenues					
Net patient service revenue	\$ 129,024	\$ -	\$ 122,341	\$ 6,683	\$ -
Other operating revenue	3,228	(70)	3,284	8	6
Total operating revenue	132,252	(70)	125,625	6,691	6
Expenses					
Salaries and wages	58,526	-	55,360	3,071	95
Employee benefits	12,801	-	12,138	644	19
Supplies and other expenses	51,408	(178)	48,957	2,529	100
Depreciation and amortization	9,332	-	9,086	243	3
Total expenses	132,067	(178)	125,541	6,487	217
Operating income (loss)	185	108	84	204	(211)
Nonoperating Revenues (Expenses)					
Interest expense	(1,840)	-	(1,840)	-	-
Investment income/(loss)	12,073	-	11,941	-	132
Transfers to/from affiliates	-	-	(286)	-	286
Other nonoperating gains/(losses)	(388)	(108)	98	4	(382)
Total nonoperating revenues (expenses)	9,845	(108)	9,913	4	36
Excess (deficiency) of revenue over (under) expenses	10,030	-	9,997	208	(175)
Capital contributions	337	-	-	-	337
Change in Net Position	10,367	-	9,997	208	162
Total net position, beginning	167,082	-	162,472	2,620	1,990
Total net position, ending	\$ 177,449	\$ -	\$ 172,469	\$ 2,828	\$ 2,152