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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 CRAIG HOSPITAL		D Employer identification number 84-0404233	
	Doing Business As			
	Number and street (or P O box if mail is not delivered to street address) 3425 S CLARKSON STREET	Room/suite	E Telephone number (303) 789-8000	
	City or town, state or country, and ZIP + 4 ENGLEWOOD, CO 80113		G Gross receipts \$ 93,158,188	
	F Name and address of principal officer MICHAEL FORDYCE 3425 S CLARKSON ST ENGLEWOOD, CO 80113		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) H(c) Group exemption number ▶	
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		J Website: ▶ WWW.CRAIGHOSPITAL.ORG		

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities SEE SCHEDULE O		
	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	18
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	17
	5 Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	888
	6 Total number of volunteers (estimate if necessary)	6	170
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
7b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	3,007,509	13,289,772
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	77,649,940	76,528,166
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	480,118	1,556,700
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,586,272	1,731,478
		82,723,839	93,106,116
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	100,908
	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)	41,778,299	45,471,800
	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)	30,727,224	30,248,402
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	72,505,523	75,821,110
	19 Revenue less expenses Subtract line 18 from line 12	10,218,316	17,285,006
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	132,405,697	181,025,359
	21 Total liabilities (Part X, line 26)	22,252,380	53,996,682
	22 Net assets or fund balances Subtract line 21 from line 20	110,153,317	127,028,677

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			2014-08-08 Date	
	JULIE KEEGAN VICE PRESIDENT OF FINANCE Type or print name and title				
Paid Preparer Use Only	Prnt/Type preparer's name DORI J EGGETT		Preparer's signature		Date
	Firm's name ▶ EKS&H LLLP			Check <input type="checkbox"/> if self-employed	PTIN P00645252
	Firm's address ▶ 7979 E TUFTS AVENUE SUITE 400 DENVER, CO 802372521			Firm's EIN ▶ 46-1497033 Phone no (303) 740-9400	

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

SEE SCHEDULE O

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 \$ 58,471,071 including grants of \$ 100,908) (Revenue \$ 76,416,162)

GENERAL HOSPITAL PROVIDES REHABILITATION AND MEDICAL SERVICESEXCLUSIVELY TO PATIENTS WITH SPINAL CORD AND TRAUMATIC BRAININJURY ON BOTH AN INPATIENT AND OUTPATIENT BASIS DURING THE TAXYEAR, THE HOSPITAL PROVIDED 26,563 DAYS OF INPATIENT CARE AND INCURRED THESE EXPENSES IN DOING SO

4b

(Code) (Expenses \$ 2,884,031 including grants of \$) (Revenue \$ 2,884,031)

CRAIG HOSPITAL IS DESIGNATED BY NIDRR AS A MODEL SYSTEM FOR BOTHSPINAL CORD INJURY AND TRAUMATIC BRAIN INJURY CRAIG IS ALSO THETRAUMATIC BRAIN INJURY MODEL SYSTEMS NATIONAL DATA AND STATISTICAL CENTER AND ALSO CONDUCTED SEVERAL OTHER RESEARCH PROJECTS SUPPORTED BY NIDRR, CDC, DOD, OTHER FOUNDATIONS, AND INDUSTRY DURING THE YEAR, CRAIG HOSPITAL'S RESEARCH DEPARTMENT EMPLOYED A STAFF OF 20 AND INCURRED THESE EXPENSES TO SUPPORT THESE CRITICAL RESEARCH PROJECTS

4c

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

4d

Other program services (Describe in Schedule O)


















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

4e

Total program service expenses ▶ 61,355,102

Part IV

Checklist of Required Schedules

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

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	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	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	Yes	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.		
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		No
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		No
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
5c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		No
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	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?		No
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
7d	If "Yes," indicate the number of Forms 8282 filed during the year.		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
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?		
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
10a	Initiation fees and capital contributions included on Part VIII, line 12.		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
11	Section 501(c)(12) organizations. Enter:		
11a	Gross income from members or shareholders.		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
13a	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.		
13b	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.		
13c	Enter the amount of reserves on hand.		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		No
14b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		

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	18	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
1b	Enter the number of voting members included in line 1a, above, who are independent	17	
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	Yes
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	No
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	8a	Yes
8b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

Section B. Policies

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization JULIE KEEGAN 3425 S CLARKSON ST ENGLEWOOD, CO (303) 789-8443

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) LAURIE FENSKE DIRECTOR	2 00	X						0	0	0
(2) MARILYN TAYLOR DIRECTOR	2 00	X						0	0	0
(3) TOM BALAZY MD DIRECTOR	2 00	X						0	0	0
(4) GREG AUSTIN DIRECTOR	2 00	X						0	0	0
(5) JASON REGIER DIRECTOR	2 00	X						0	0	0
(6) VANDY VAN WAGENER DIRECTOR	2 00	X						0	0	0
(7) JANET HOUSER CHAIR ELECT/SECRETARY	2 00	X		X				0	0	0
(8) NAN HINTON DIRECTOR	2 00	X						0	0	0
(9) JUSTIN MONINGER DIRECTOR	2 00	X						0	0	0
(10) HUGH RICE TREASURER	2 00	X		X				0	0	0
(11) TED SHANNON DIRECTOR	2 00	X						0	0	0
(12) TOM MALLEY PAST CHAIR	2 00	X		X				0	0	0
(13) DAN MAY PAST CHAIR, CHAIR	2 00	X		X				0	0	0
(14) BILL LINDSAY CHAIR/CHAIR ELECT	2 00	X		X				0	0	0
(15) SHELLY MOSES-REED SECRETARY, TREASURER	2 00	X		X				0	0	0
(16) MIKE FORDYCE PRESIDENT & CEO	40 00 8 00	X		X				573,221	0	149,250
(17) PETER BURG DIRECTOR	2 00 2 00	X						0	0	0

Part VII

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099- MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) MARY SISSEL DIRECTOR	2 00 15 00	X						0	0	0
(19) RAY MENCINI DIRECTOR	2 00	X						0	0	0
(20) KEVIN LOUGHREY DIRECTOR	2 00	X						0	0	0
(21) JULIE KEEGAN VP FINANCE	40 00 2 50			X				253,677	0	65,350
(22) DANA POLONSKY VP CLINICAL SERVICES	40 00			X				235,311	0	67,312
(23) DIANE REINHARD VP PATIENT CARE	40 00			X				247,725	0	68,002
(24) LESTER BUTT DIRECTOR - PSYCHOLOGY	40 00					X		202,052	0	27,394
(25) KENNY HOSACK DIRECTOR - PROVIDER RELATI	40 00					X		170,152	0	26,141
(26) GALE WHITENECK DIRECTOR - RESEARCH	40 00					X		192,207	0	21,290
(27) CHRIS WATKINS DIRECTOR - IT	40 00					X		155,225	0	25,407
(28) CINDY BRADEN DIRECTOR - QC	40 00					X		163,625	0	15,675
(29) DENNIS O'MALLEY FORMER PRESIDENT & CEO	0 00						X	584,648	0	0

1b	Sub-Total	▶			
c	Total from continuation sheets to Part VII, Section A	▶			
d	Total (add lines 1b and 1c)	▶	2,777,843	0	465,821

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization▶39

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
SWEDISH MEDICAL CENTER 501 E HAMPDEN AVE ENGLEWOOD CO 80013	MEDICAL SERVICES	11,997,475
RTA INC 19 S TEJON ST COLORADO SPRINGS CO 80903	ARCHITECTURE SERVICES	2,135,537
CNS MEDICAL GROUP DEPT 710924 DENVER CO 80271	MEDICAL DIRECTOR/RESEARCH	799,210
GH PHIPPS CONSTRUCTION CO PO BOX 3237 ENGLEWOOD CO 80155	CONSTRUCTION SERVICES	743,769
GREENHOUSE PARTNERS LLC 1881 9TH ST SUITE 200 BOULDER CO 80302	BRANDING CONSULTANTS	604,749

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 ▶14

Part VIII

Statement of Revenue

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

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	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	10,301,676			
	e	Government grants (contributions)	1e	2,884,031			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	104,065			
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f		13,289,772			
Program Service Revenue			Business Code				
	2a	MEDICAL SERVICES	621110	75,609,708	75,609,708		
	b	PATIENT APARTMENTS	721000	806,454	806,454		
	c	MEDICAL OFFICE RENT	531190	112,004	112,004		
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		76,528,166			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		1,606,772		1,606,772	
	4	Income from investment of tax-exempt bond proceeds . . .					
	5	Royalties					
	6a	(i) Real		(ii) Personal			
		Gross rents					
		b Less rental expenses					
		c Rental income or (loss)					
	d	Net rental income or (loss)					
	7a	(i) Securities		(ii) Other			
		Gross amount from sales of assets other than inventory		2,000			
		b Less cost or other basis and sales expenses		52,072			
		c Gain or (loss)		-50,072			
	d	Net gain or (loss)		-50,072		-50,072	
	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	OTHER REVENUE	900099	1,073,992	1,073,992			
b	REIMB GRANT INDIR	900099	587,595	587,595			
c	RDS REVENUE	900099	69,891	69,891			
d	All other revenue						
e	Total. Add lines 11a-11d		1,731,478				
12	Total revenue. See Instructions		93,106,116	78,259,644	0	1,556,700	

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States. See Part IV, line 21.	100,908	100,908		
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.	1,588,045		1,588,045	
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.	33,773,191	28,557,525	5,215,666	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	2,308,846	1,983,563	325,283	
9	Other employee benefits.	5,305,687	4,690,967	614,720	
10	Payroll taxes.	2,496,031	2,120,829	375,202	
11	Fees for services (non-employees):				
a	Management.				
b	Legal.	121,250		121,250	
c	Accounting.	99,025		99,025	
d	Lobbying.				
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.	154,817		154,817	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	12,180,881	11,572,711	608,170	
12	Advertising and promotion.	177,202		177,202	
13	Office expenses.	1,229,432	728,161	501,271	
14	Information technology.	1,776,369		1,776,369	
15	Royalties.				
16	Occupancy.	1,084,769	917,246	167,523	
17	Travel.	393,631	206,966	186,665	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	48,849		48,849	
20	Interest.	27,894		27,894	
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	4,795,371	3,054,304	1,741,067	
23	Insurance.	292,956		292,956	
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O):				
a	MEDICAL SUPPLIES	3,107,176	3,103,241	3,935	
b	RESEARCH EXPENSE	2,884,031	2,884,031		
c	FOOD EXPENSE	847,260	824,707	22,553	
d	MINOR EQUIPMENT/REPAIR	659,878	568,597	91,281	
e	All other expenses	367,611	41,346	326,265	
25	Total functional expenses. Add lines 1 through 24e.	75,821,110	61,355,102	14,466,008	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		3,557,694	1	4,454,131
	2	Savings and temporary cash investments		20,073,337	2	20,693,892
	3	Pledges and grants receivable, net		392,705	3	386,105
	4	Accounts receivable, net		18,380,893	4	19,744,033
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		458,033	8	512,110
	9	Prepaid expenses and deferred charges		1,274,451	9	1,026,592
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a105,328,454			
	b	Less accumulated depreciation	10b42,113,118	48,345,914	10c	63,215,336
	11	Investments—publicly traded securities		38,788,738	11	69,533,473
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		1,133,932	15	1,459,687
	16	Total assets. Add lines 1 through 15 (must equal line 34)		132,405,697	16	181,025,359
Liabilities	17	Accounts payable and accrued expenses		13,397,380	17	16,401,682
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		8,855,000	20	37,595,000
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D			25	
	26	Total liabilities. Add lines 17 through 25		22,252,380	26	53,996,682
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		110,153,317	27	127,028,677
	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		110,153,317	33	127,028,677
	34	Total liabilities and net assets/fund balances		132,405,697	34	181,025,359

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	93,106,116
2	Total expenses (must equal Part IX, column (A), line 25)	2	75,821,110
3	Revenue less expenses Subtract line 2 from line 1	3	17,285,006
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	110,153,317
5	Net unrealized gains (losses) on investments	5	-409,646
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	127,028,677

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?	Yes	
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	Yes	

Additional Data

Software ID:

Software Version:

EIN: 84-0404233

Name: CRAIG HOSPITAL

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
LAURIE FENSKE DIRECTOR	2 00	X						0	0	0
MARILYN TAYLOR DIRECTOR	2 00	X						0	0	0
TOM BALAZY MD DIRECTOR	2 00	X						0	0	0
GREG AUSTIN DIRECTOR	2 00	X						0	0	0
JASON REGIER DIRECTOR	2 00	X						0	0	0
VANDY VAN WAGENER DIRECTOR	2 00	X						0	0	0
JANET HOUSER CHAIR ELECT/SECRETARY	2 00	X		X				0	0	0
NAN HINTON DIRECTOR	2 00	X						0	0	0
JUSTIN MONINGER DIRECTOR	2 00	X						0	0	0
HUGH RICE TREASURER	2 00	X		X				0	0	0
TED SHANNON DIRECTOR	2 00	X						0	0	0
TOM MALLEY PAST CHAIR	2 00	X		X				0	0	0
DAN MAY PAST CHAIR, CHAIR	2 00	X		X				0	0	0
BILL LINDSAY CHAIR/CHAIR ELECT	2 00	X		X				0	0	0
SHELLY MOSES-REED SECRETARY, TREASURER	2 00	X		X				0	0	0
MIKE FORDYCE PRESIDENT & CEO	40 00 8 00	X		X				573,221	0	149,250
PETER BURG DIRECTOR	2 00 2 00	X						0	0	0
MARY SISSEL DIRECTOR	2 00 15 00	X						0	0	0
RAY MENCINI DIRECTOR	2 00	X						0	0	0
KEVIN LOUGHREY DIRECTOR	2 00	X						0	0	0
JULIE KEEGAN VP FINANCE	40 00 2 50			X				253,677	0	65,350
DANA POLONSKY VP CLINICAL SERVICES	40 00			X				235,311	0	67,312
DIANE REINHARD VP PATIENT CARE	40 00			X				247,725	0	68,002
LESTER BUTT DIRECTOR - PSYCHOLOGY	40 00					X		202,052	0	27,394
KENNY HOSACK DIRECTOR - PROVIDER RELATI	40 00					X		170,152	0	26,141

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
GALE WHITENECK DIRECTOR - RESEARCH	40 00					X		192,207	0	21,290
CHRIS WATKINS DIRECTOR - IT	40 00					X		155,225	0	25,407
CINDY BRADEN DIRECTOR - QC	40 00					X		163,625	0	15,675
DENNIS O'MALLEY FORMER PRESIDENT & CEO	0 00						X	584,648	0	0

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2012

Open to Public Inspection

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

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

Department of the Treasury
Internal Revenue Service

Name of the organization
CRAIG HOSPITAL

Employer identification number
84-0404233

Part I

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

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

- 1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state _____
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
- 11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Non-functionally integrated
- e

☐

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

☐

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

☐

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

(i)

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

(ii)

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

(iii)

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

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

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

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

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

Part IIISupport Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

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

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage		
15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2012. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
b 33 1/3% support tests—2011. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶		

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

Facts And Circumstances Test

Explanation

SCHEDULE 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
CRAIG HOSPITAL

Employer identification number
84-0404233

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	1,610,984	5,660,063	5,891,806	5,504,902	5,092,975
b Contributions	1,421,364	13,940	16,145	39,957	264,956
c Net investment earnings, gains, and losses	249,411	919,369	-244,941	346,947	665,274
d Grants or scholarships					
e Other expenditures for facilities and programs	301,694	4,982,388	2,947	0	518,303
f Administrative expenses					
g End of year balance	2,980,065	1,610,984	5,660,063	5,891,806	5,504,902

- 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 83 360 %

c

Temporarily restricted endowment 16 640 %

3a

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

(i) unrelated organizations

(ii) related organizations

3a(i)

Yes

No

3a(ii)

Yes

3b

Yes

b

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

3b

Yes

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		6,651,278		6,651,278
b Buildings		33,903,965	13,644,179	20,259,786
c Leasehold improvements				
d Equipment		45,529,457	28,101,439	17,428,018
e Other		19,243,754	367,500	18,876,254
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				63,215,336

Schedule D (Form 990) 2012

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return					
1	Total revenue, gains, and other support per audited financial statements			1	101,269,750
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12			2e	
a	Net unrealized gains on investments	2a	-409,646		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	8,867,366		
e	Add lines 2a through 2d			2e	8,457,720
3	Subtract line 2e from line 1			3	92,812,030
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1			4c	
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	154,817		
b	Other (Describe in Part XIII)	4b	139,269		
c	Add lines 4a and 4b				
5	Total revenue Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)			5	93,106,116
Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return					
1	Total expenses and losses per audited financial statements			1	75,519,700
2	Amounts included on line 1 but not on Form 990, Part IX, line 25			2e	
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII)	2d	-146,593		
e	Add lines 2a through 2d			2e	-146,593
3	Subtract line 2e from line 1			3	75,666,293
4	Amounts included on Form 990, Part IX, line 25, but not on line 1 :			4c	
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	154,817		
b	Other (Describe in Part XIII)	4b			
c	Add lines 4a and 4b				
5	Total expenses Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)			5	75,821,110

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
PART XI, LINE 2D - OTHER ADJUSTMENTS		FAS 136 RESTATEMENT - FOUNDATION NET INCOME \$8,867,366
PART XI, LINE 4B - OTHER ADJUSTMENTS		SUBSIDY FROM FOUNDATION \$146,611 RDS NET INCOME \$-7,342 TOTAL PART XI, LINE 4B - OTHER ADJUSTMENTS \$139,269
PART XII, LINE 2D - OTHER ADJUSTMENTS		SUBSIDY FROM FOUNDATION \$-146,611 MISC RECLASS \$18 TOTAL PART XII 2D - OTHER ADJUSTMENTS \$-146,593
		PART V, LINE 4 ENDOWMENT FUNDS, WHICH ARE HELD BY THE CRAIG HOSPITAL FOUNDATION, A RELATED ORGANIZATION, SERVE A VARIETY OF PURPOSES INCLUDING SUPPORTING GRADUATES, PATIENT ASSISTANCE PROGRAMS, PRESIDENT'S LEADERSHIP FUND AND GENERAL PURPOSES
		PART X, LINE 2 THE HOSPITAL APPLIES A MORE-LIKELY-THAN-NOT MEASUREMENT METHODOLOGY TO REFLECT THE FINANCIAL STATEMENT IMPACT OF UNCERTAIN TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN. AFTER EVALUATING THE TAX POSITIONS TAKEN, NONE ARE CONSIDERED UNCERTAIN, THEREFORE NO AMOUNTS HAVE BEEN RECOGNIZED AS OF SEPTEMBER 30, 2013 AND 2012. IF INCURRED, INTEREST AND PENALTIES ASSOCIATED WITH THE TAX POSITIONS ARE RECORDED IN THE PERIOD ASSESSED IN OTHER PROGRAMS AND COST. NO INTEREST OR PENALTIES HAVE BEEN ASSESSED AS OF SEPTEMBER 30, 2013 AND 2012. TAX YEARS THAT REMAIN SUBJECT TO EXAMINATION INCLUDE 2010 THROUGH THE CURRENT PERIOD FOR THE FEDERAL RETURN AND 2009 THROUGH CURRENT PERIOD FOR THE COLORADO RETURN.

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
CRAIG HOSPITAL

Employer identification number
84-0404233

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 type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>30000 0000000000 %</u> b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>50000 0000000000 %</u> 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	Yes	
	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)			1,139,390		1,139,390	1 500 %
b Medicaid (from Worksheet 3, column a)			7,231,242	3,967,036	3,264,206	4 310 %
c Costs of other means-tested government programs (from Worksheet 3, column b) .						
d Total Financial Assistance and Means-Tested Government Programs .			8,370,632	3,967,036	4,403,596	5 810 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			379,424	2,379	377,045	0 500 %
f Health professions education (from Worksheet 5)			80,910		80,910	0 110 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)			2,884,031	2,884,031		
i Cash and in-kind contributions for community benefit (from Worksheet 8)			100,908		100,908	0 130 %
j Total. Other Benefits			3,445,273	2,886,410	558,863	0 740 %
k Total. Add lines 7d and 7j .			11,815,905	6,853,446	4,962,459	6 550 %

Part II

Community Building Activities

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

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

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

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

1

No

2

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

2

15,944

3

Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.

3

4

Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.

Section B. Medicare

5

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

5

5,112,018

6

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

6

8,327,293

7

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

7

-3,215,275

8

Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used.
☐ Cost accounting system ☒ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a

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

9a

No

b

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

9b

Part IV

Management Companies and Joint Ventures

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

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

Part V

Facility Information

Section A. Hospital Facilities

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

Name, address, and primary website address

		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	CRAIG HOSPITAL 3425 S CLARKSON STREET ENGLEWOOD,CO 80113	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)

CRAIG HOSPITAL

Name of hospital facility or facility reporting group

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

	Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply)	1 Yes	
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a CHNA 20 <u>12</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3 Yes	
4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	No
5 Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5 Yes	
a <input checked="" type="checkbox"/> Hospital facility's website		
b <input checked="" type="checkbox"/> Available upon request from the hospital facility		
c <input type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)		
a <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b <input checked="" type="checkbox"/> Execution of the implementation strategy		
c <input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input checked="" type="checkbox"/> Prioritization of health needs in its community		
h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7 Yes	
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	No
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$_____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		9	Yes
10 Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>300 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>500 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 type="checkbox"/> Insurance status			
e <input type="checkbox"/> Uninsured discount			
f <input checked="" type="checkbox"/> Medicaid/Medicare			
g <input checked="" type="checkbox"/> State regulation			
h <input checked="" 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 type="checkbox"/> The policy was attached to billing invoices			
c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices			
e <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility			
f <input checked="" type="checkbox"/> The policy was available upon request			
g <input checked="" type="checkbox"/> Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?		15	Yes
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a <input type="checkbox"/> Reporting to credit agency			
b <input type="checkbox"/> Lawsuits			
c <input type="checkbox"/> Liens on residences			
d <input type="checkbox"/> Body attachments			
e <input type="checkbox"/> Other similar actions (describe in Part VI)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?		17	No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a <input type="checkbox"/> Reporting to credit agency			
b <input type="checkbox"/> Lawsuits			
c <input type="checkbox"/> Liens on residences			
d <input type="checkbox"/> Body attachments			
e <input type="checkbox"/> Other similar actions (describe in Part VI)			

Part V

Facility Information (continued)

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

☒

Notified individuals of the financial assistance policy on admission
- b

☒

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

☒

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

☒

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

☐

Other (describe in Part VI)

Policy Relating to Emergency Medical Care

		Yes	No
19	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate why		No
a	<input checked="" 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 type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input checked="" 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	21	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	22	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, L7 COL(F) BAD DEBT EXPENSE IS RECORDED WHEN ALL INTERNAL COLLECTION EFFORTS HAVE BEEN EXHAUSTED AND THE ACCOUNT IS FLAGGED AS DELINQUENT ANY RECOVERIES ARE NETTED AGAINST EXPENSE BASED ON THE COMMUNITY THAT WE SERVE, IT IS OFTEN DIFFICULT FOR PATIENTS TO FULFILL THEIR PAYMENT OBLIGATION DUE TO THEIR CURRENT AND FUTURE OUT OF POCKET HEALTH CARE COSTS RELATED TO THEIR DISABILITY AND THE POSSIBLE IMPACT ON THEIR ABILITY TO EARN INCOME
		PART III, LINE 4 DURING 2013, THE HOSPITAL ADOPTED ACCOUNTING STANDARDS UPDATE ("ASU") NO 2011-07, PRESENTATION AND DISCLOSURE OF PATIENT SERVICE REVENUE, PROVISION FOR BAD DEBTS, AND THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR CERTAIN HEALTH CARE ENTITIES, AN AMENDMENT TO THE ACCOUNTING STANDARDS CODIFICATION TOPIC 954, HEALTH CARE ENTITIES ASU NO 2011-07 REQUIRES HEALTH CARE ORGANIZATIONS THAT DO NOT ASSESS THE COLLECTIBILITY OF A RECEIVABLE BEFORE RECOGNIZING REVENUE TO PRESENT THEIR PROVISION FOR BAD DEBT RELATED TO PATIENT SERVICE REVENUE AS A DEDUCTION FROM REVENUE, NET OF CONTRACTUAL ALLOWANCES AND DISCOUNTS, ON THEIR STATEMENT OF OPERATIONS THE ADOPTION OF THIS STANDARD DID NOT IMPACT THE CONSOLIDATED FINANCIAL STATEMENTS, AS THE HOSPITAL DOES NOT RECOGNIZE SIGNIFICANT REVENUE WITHOUT ASSESSING A PATIENT'S ABILITY TO PAY

Identifier	ReturnReference	Explanation
		PART III, LINE 8 SOURCE OF DATA IS FILED MEDICARE COST REPORT MEDICARE PAYMENT RECEIVED IS INSUFFICIENT TO COVER COSTS OF PROVIDING CARE
CRAIG HOSPITAL		PART V, SECTION B, LINE 3 COMMUNITY PARTNERS AND INDIVIDUALS WITH SPECIAL EXPERTISE WERE IDENTIFIED AND INVITED TO PARTICIPATE ON OUR ASSESSMENT COMMITTEE THE FOLLOWING INDIVIDUALS PARTICIPATED IN THE CHNA DIRECTOR OF EXTERNAL AFFAIRS FROM THE DIVISION ON INSURANCE, COLORADO DEPARTMENT OF REGULATORY AGENCIES WHO IS A FORMER PATIENT AND BOARD MEMBER SAT ON THE COMMITTEE THE DIRECTOR OF RESEARCH ON COVERAGE AND ACCESS, DIRECTOR OF STRATEGIC SERVICES, AND SENIOR DATA ANALYST FROM THE COLORADO HEALTH INSTITUTE ASSISTED WITH DEVELOPING THE SURVEY AND ANALYZING THE DATA REPRESENTATIVE FROM THE COLORADO DEPT OF PUBLIC HEALTH AND ENVIRONMENT INCLUDING INDIVIDUAL FROM THE HEALTH STATISTICS SECTION, OFFICE OF PLANNING AND PARTNERSHIPS, BRFS COORDINATOR AND STATISTICAL ANALYST ALL ASSISTED WITH THE STATISTICAL ANALYSIS

Identifier	ReturnReference	Explanation
CRAIG HOSPITAL		PART V, SECTION B, LINE 12H SIZE OF HOUSEHOLD
CRAIG HOSPITAL		PART V, SECTION B, LINE 14G APPLICATION IS SENT TO PATIENT WITH PRE-COLLECTION LETTER PATIENT BILLING STATEMENTS REFERENCE THE POLICY AND CONTACT INFORMATION IS GIVEN IF THEY REQUIRE ADDITIONAL INFORMATION OR WANT TO APPLY

Identifier	ReturnReference	Explanation
CRAIG HOSPITAL		PART V, SECTION B, LINE 20D SELF-PAY STANDARD DISCOUNT OR CHARITY APPLIES
		PART VI, LINE 2 IN ADDITION TO CONDUCTING ITS ANNUAL CHNA, CRAIG HOSPITAL ASSESSES COMMUNITY NEEDS THROUGH A VARIETY OF DIFFERENT PROGRAMS AS A CONDITION OF FEDERAL GRANT FUNDING, CRAIG HOSPITAL'S RESEARCH DEPARTMENT CONDUCTS ONGOING LONGITUDINAL STUDIES ON THE LONG-TERM EFFECTS AND NEEDS OF PERSONS WITH SPINAL CORD INJURY (SCI) AND BRAIN INJURY CRAIG HOSPITAL ALSO OPERATES A FREE SCI NURSE ADVICE LINE AND COLLECTS DATA ON WHY FORMER PATIENTS CALL FOR ASSISTANCE CRAIG HOSPITAL ALSO COLLABORATES WITH THE BRAIN INJURY ALLIANCE OF COLORADO, ROCKY MOUNTAIN HUMAN SERVICES, THE HANGOUT, THE CHRISTOPHER AND DANA REEVE PEER NETWORK PROGRAM, AND OTHER COMMUNITY ORGANIZATIONS TO ASSESS AND MEET THE LONG TERM NEEDS OF CITIZENS WITH DISABILITIES

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 3 THE ADMISSIONS DEPARTMENT IDENTIFIES PATIENTS WHO HAVE LIMITED BENEFITS AND COMPARE THE BENEFITS TO THE ESTIMATED LENGTH OF STAY WHEN THERE IS A SHORTAGE OF DAYS ALLOWED THROUGH INSURANCE, THE ADMISSIONS DIRECTOR WILL HAVE A DISCUSSION WITH THE PATIENT/FAMILY TO DETERMINE ALTERNATIVE COVERAGE THIS DISCUSSION ENCOMPASSES THE PATIENT/FAMILY'S ABILITY TO PAY FOR THE CARE, POTENTIAL ELIGIBILITY FOR FEDERAL AND STATE PROGRAMS, AND THE CHARITY CARE PROGRAM UPON ADMISSION TO THE HOSPITAL, THE SOCIAL WORKERS/COUNSELORS COMPLETE A THOROUGH PSYCHO-SOCIAL ASSESSMENT OF THE PATIENT/FAMILY SPECIFICALLY EXPLORING FINANCIAL STATUS THE COUNSELORS CONSIDER HOUSEHOLD INCOME POST SURGERY, FAMILY SIZE, ASSETS, CURRENT AND FUTURE LIVING EXPENSES, AND FINANCIAL OBLIGATIONS INCLUDING EXPECTATIONS OF FUTURE CARE NEEDS THE COUNSELORS, ALONG WITH THE PATIENT/FAMILY, ASSESS OTHER POTENTIAL RESOURCES/PROGRAMS FOR WHICH THE PATIENT MAY QUALIFY RESOURCES AND PROGRAMS EVALUATED INCLUDE, BUT ARE NOT LIMITED TO MEDICAID, CICP,VICTIM'S ASSISTANCE, LIABILITY AND LIQUIDITY, ACCIDENTAL DEATH AND DISMEMBERMENT, AND THE CHARITY CARE PROGRAM IF IT APPEARS AS THOUGH THE PATIENT WILL QUALIFY FOR STATE OR FEDERAL PROGRAMS, THE COUNSELOR WILLASSIST THE PATIENT /FAMILY IN COMPLETION OF THE APPLICATIONS, OBTAINING THE REQUIRED DOCUMENTATION AND IN ADVISING THEM HOW TO POSITION THEMSELVES TO QUALIFY IF PATIENTS DO NOT MEET THE CRITERIA FOR OTHER STATE OR FEDERAL PROGRAMS, THE FINANCIAL ASSISTANCE ELIGIBILITY DISCOUNT GUIDELINE IS UTILIZED TO DETERMINE IF THE PATIENT'S BILL WILL BE DISCOUNTED IF APPROPRIATE,THE COUNSELOR WILL INITIATE AND ASSIST THE PATIENT/FAMILY IN COMPLETING THE FINANCIAL ASSISTANCE APPLICATION FOR THE CHARITY CARE PROGRAM APPLICATIONS MAY ALSO BE OBTAINED ON THE CRAIG WEBSITE, COMPLETED OVER THE PHONE OR VIA MAIL IF IT IS NOT CLEAR THAT THE PATIENT/FAMILY WILL HAVE A BALANCE PRIOR TO DISCHARGE (CO-PAYS, OUT OF POCKET, ETC) THE PATIENT/FAMILY WILL RECEIVE INFORMATION ON THE CHARITY CARE PROGRAM NOTED ON 4 STATEMENTS AND THE COPY OF APPLICATION ALONG WITH LETTER FOR PRE-COLLECTION AT THIS TIME THE PATIENT CAN COMPLETE THE APPLICATION ALL APPLICATIONS ARE REVIEWED BY THE A/R MANAGER, VICE PRESIDENT OF FINANCE AND/OR THE CONTROLLER WHEN IT IS DETERMINED THAT THE CHARITY IS APPROPRIATE, THIS IS COMMUNICATED TO THE PATIENT/FAMILY BY THECOUNSELOR OR THE ACCOUNTS RECEIVABLE MANAGER</p>
		<p>PART VI, LINE 4 AS ONE OF THE MOST RECOGNIZED SPECIALTY REHABILITATION AND RESEARCH HOSPITALS IN THE WORLD FOR PATIENTS WITH SPINAL CORD AND BRAIN INJURY, CRAIG HOSPITAL CONTRIBUTES TO THE LOCAL, STATE, AND NATIONAL COMMUNITIES IN MYRIADS OF WAYS IN THE AREAS OF EDUCATION, DISABILITY AWARENESS TRAINING, HANDICAP ACCESSIBILITY, AND OTHER FORMS OF SUPPORT AS A NON-PROFIT FREE STANDING HOSPITAL, CRAIG HOSPITAL CURRENTLY HAS 600 FTE EMPLOYEES AND UTILIZES 170 VOLUNTEERS FROM THE COMMUNITY CRAIG HOSPITAL IS THE LARGEST REHABILITATION HOSPITAL IN COLORADO SERVING PATIENTS WITH SPINAL CORD INJURY (SCI) AND TRAUMATIC BRAIN INJURY (TBI) AND SERVES THE LARGEST PERCENTAGE OF THE 150 NEWLY INJURED SCI AND 5,000 TBI PATIENTS PER YEAR IN COLORADO, WITH INPATIENT, OUTPATIENT, AND LONG TERM FOLLOW-UP SERVICES THERE ARE APPROXIMATELY 2,400 PEOPLE WITH SCI AND 175,000 WITH TBI LIVING IN COLORADO APPROXIMATELY 50% OF CRAIG HOSPITAL'S PATIENTS ARE COLORADO RESIDENTS WHILE THE REMAINDER COME FROM VIRTUALLY EVERY OTHER STATE, AND EVEN SOME FROM FOREIGN COUNTRIES THE AVERAGE AGE OF OUR PATIENTS IS 38 YEARS OLD, 75% ARE MALE, AND ALL COME FROM VARIED SOCIO-ECONOMIC BACKGROUNDS CRAIG HOSPITAL PROVIDES SIGNIFICANT SUPPORT TO THE COMMUNITY, SUCH AS HELPING TRAIN RTD TRANSPORTATION PERSONNEL AND AIRLINE PERSONNEL, SIGNIFICANTLY SUPPORTING THE BRAIN INJURY ALLIANCE OF COLORADO, CONDUCTING ANNUAL OUTPATIENT CLINICS IN PUEBLO AND GRAND JUNCTION, COLORADO AND CASPER, WYOMING, CONDUCTING PREVENTION PROGRAMS IN LOCAL SCHOOLS, SERVING ON MULTIPLE BOARDS FOR STATE AGENCIES AND ORGANIZATIONS (TBI TRUST FUND, DIVISION OF WORKERS COMPENSATION TBI MEDICAL TREATMENT GUIDELINES, ROCKY MOUNTAIN HUMAN SERVICES, COLORADO BRAIN INJURY PROFESSIONALS NETWORK, THE HANGOUT NETWORK AND OTHERS), OFFERING FINANCIAL SCHOLARSHIPS FOR CRAIG "GRADUATES" FOR HIGHER EDUCATION, AND FINANCIALLY SUPPORTING MORE THAN 100 LOCAL, REGIONAL, AND NATIONAL ORGANIZATIONS EACH YEAR CRAIG HOSPITAL COLLABORATES ON PATIENT RESEARCH AND TECHNOLOGY WITH THE UNIVERSITY OF COLORADO, COLORADO SCHOOL OF MINES, AND THE UNIVERSITY OF DENVER IN THE PAST FIVE YEARS, CRAIG HOSPITAL HAS SERVED MORE THAN 2,000 INPATIENTS WITH CATASTROPHIC SPINAL CORD AND BRAIN INJURIES, OF WHICH APPROXIMATELY ONE HALF WERE FROM COLORADO IN THE SAME TIME PERIOD, CRAIG HOSPITAL SERVED MORE THAN 15,000 OUTPATIENTS, OF WHICH THREE QUARTERS WERE FROM COLORADO THESE NUMBERS DO NOT INCLUDE PATIENT SUPPORT SYSTEMS AND COMMUNITY MEMBERS- FAMILIES, FRIENDS, CO-WORKERS, AND EMPLOYERS CRAIG HOSPITAL'S PATIENT OUTCOMES ARE SUPERIOR IN COMPARISON TO VIRTUALLY EVERY REGIONAL AND NATIONAL AVERAGE IN THE MOST IMPORTANT MEASURES OF REHABILITATION OUTCOMES ON AVERAGE, CRAIG GRADUATES AREMORE DEPENDENT WHEN THEY ARE ADMITTED, FUNCTIONALLY MAKE GREATER GAINS DURING THEIR INITIAL TREATMENT, ARE DISCHARGED HOME AT HIGHER RATES, RETURN TO WORK OR SCHOOL IN GREATER NUMBERS, ARE MORE FUNCTIONALLYINDEPENDENT AND REQUIRE LESS ATTENDANT CARE, HAVE FEWER RE-HOSPITALIZATIONS, HAVE HIGHER LEVELS OF COMMUNITY REINTEGRATION AND SATISFACTION WITH LIFE, AND HAVE HIGHER EARNING POWER THAN THEIR NATIONALPEER GROUP TREATED IN OTHER REHABILITATION PROGRAMS OUR EXCEPTIONAL OUTCOMES VALIDATE THAT REHABILITATION IS AN INVESTMENT IN LONG-TERM SOCIETAL VALUE WHEN WE HELP PATIENTS BECOME AS INDEPENDENT AND PRODUCTIVE AS POSSIBLE, IT IS IN THEIR BEST INTEREST-AS WELL AS IN THE BEST INTEREST OF THEIR FAMILY, EMPLOYER, INSURANCE CARRIER, TAXPAYERS, AND TO THE COMMUNITY AS A WHOLE CRAIG HOSPITAL ALSO SIGNIFICANTLY CONTRIBUTES TO THE PROFESSIONAL COMMUNITY IN 2013 CRAIG HOSPITAL STAFF PUBLISHED 29 PAPERS AND CHAPTERS AND DELIVERED 117 PROFESSIONAL PRESENTATIONS EACH YEAR CRAIG HOSPITAL STAFF AND PHYSICIANS RECEIVE NATIONAL AWARDS, AND IN 2013 CRAIG HOSPITAL STAFF AND PHYSICIANS WON SEVERAL MAJOR AWARDS ANOTHER RECENT ACCOMPLISHMENT IS THE SPINAL CORD INJURY NURSE ADVICE LINE, WHICH IS A TOLL FREE NATIONAL ADVICE LINE, WHICH HAS WON NATIONAL AWARDS CRAIG HOSPITAL IS THE FIRST HOSPITAL IN COLORADO TO HAVE GROUP SPECIAL LICENSE PLATES WHICH WERE APPROVED BY THE 2011 LEGISLATURE CRAIG HOSPITAL IS PIONEERING ADAPTIVE TECHNOLOGY AND CUTTING EDGE TREATMENT, AND IN 2011 CRAIG HOSPITAL FOUNDED THE PEAK CENTER AT CRAIG HOSPITAL, A STATE-OF-THE ART WELLNESS AND FITNESS PROGRAM FOR INPATIENTS, OUTPATIENTS, AND COMMUNITY MEMBERSHIPS</p>

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 5 CRAIG HOSPITAL'S PURPOSE IS TO PROVIDE PATIENT CARE, EDUCATION AND RESEARCH THE BOARD OF DIRECTORS OF CRAIG HOSPITAL HAS ULTIMATE AUTHORITY IN EXTENDING PRIVILEGES ONLY TO PROFESSIONALLY COMPETENT PHYSICIANS, DENTISTS AND PODIATRISTS, LICENSED TO PRACTICE IN THE STATE OF COLORADO THERE ARE 221 PHYSICIANS ON THE MEDICAL STAFF OF CRAIG HOSPITAL, EACH ASSIGNED TO ONE OF FIVE SEPARATE MEDICAL STAFF CATEGORIES THE MEDICAL STAFF OF CRAIG HOSPITAL IS ORGANIZED AND OPERATES UNDER THE GUIDANCE OF THE MEDICAL STAFF BYLAWS, MEDICAL STAFF RULES AND REGULATIONS AND MEDICAL STAFF POLICIES AND PROCEDURES THE ORGANIZED MEDICAL STAFF IS ACCOUNTABLE TO THE GOVERNING BODY FOR THE QUALITY OF CARE, TREATMENT AND SERVICES PROVIDED TO PATIENTS BY THE PRACTITIONERS WITH PRIVILEGES THE MEDICAL STAFF IS RESPONSIBLE FOR ESTABLISHING AND MAINTAINING PATIENT CARE STANDARDS, CREDENTIALING AND DELINEATION OF CLINICAL PRIVILEGES ADDITIONALLY, THERE ARE 53 ALLIED HEALTH PROFESSIONALS, CATEGORIZED AS EITHER INDEPENDENT OR PHYSICIAN DIRECTED WHOM FUNCTION WITHIN ONE OR MORE HEALTH-RELATED PROFESSIONS OR OCCUPATIONS THE HOSPITAL USES EXCESS FUNDS TO FUND CAPITAL IMPROVEMENTS, EQUIPMENT FOR PATIENT PROGRAMS, AND PATIENT EDUCATION THE HOSPITAL PROVIDES LONG-TERM COMMUNITY SUPPORT THROUGH MULTIPLE PROGRAMS SUCH AS -SCI NURSE ADVICE LINE-ON-LINE FREE EDUCATIONAL MATERIALS AND HEALTH ASSESSMENT QUESTIONNAIRE TOOL ON CRAIG HOSPITAL'S WEBSITE, WWW.CRAIGHOSPITAL.ORG, AND SOCIAL MEDIA- FACEBOOK, TWITTER, LINKED IN, YOUTUBE, INSTAGRAM, AND BLOG -OUTREACH SCI CLINICS ANNUALLY IN PUEBLO, GRAND JUNCTION, CO AND CASPER, WY -\$100K SUPPORT PER YEAR TO COMMUNITY ORGANIZATIONS- \$10K SUPPORT PER YEAR TO BRAIN INJURY ALLIANCE OF COLO + BOARD MEMBER-STAFF SERVES ON HUNDREDS OF COMMUNITY ORGANIZATIONS-PUBLISH 29 PAPER CHAPTERS PER YEAR IN PROFESSIONAL LITERATURE- PRESENTATIONS 117 PER YEAR ON SCI/TBI-CHAired COLORADO CONCUSSION SPECIAL INTEREST GROUP- CHAired COLORADO TBI TRUST FUND-CHAired COLORADO WC TBI MEDICAL TREATMENT GUIDELINES- CHAired ROCKY MOUNTAIN HUMAN SERVICES MILITARY PROGRAM-CHAired COLORADO BL PROFESSIONALS NETWORK MEETING-INJURY PREVENTION PROGRAMS IN THE SCHOOLS-NIDRR MODEL SYSTEM CENTER FOR SCI AND TBI-ALUMNI HIGHER EDUCATION SCHOLARSHIP PROGRAM-CU, SCHOOL OF MINES, DU ADAPTIVE TECHNOLOGY COLLABORATIONS-ACCESSIBLE HOMES COLLABORATIONS-Q & A FEATURE ON HEALTH MATTERS ON CRAIG'S FACEBOOK PAGE-EMERGENCY PREPAREDNESS VENUES FOR ENGLEWOOD FIRE AND POLICE-COLUMBINE HIGH SCHOOL RUN FOR REMEMBRANCE BENEFIT-COLLABORATE WITH CHRISTOPHER & DANA REEVE PEER NETWORK PROGRAM- TRAIN DENVER RTD & FRONTIER AIRLINES PERSONNEL ON PASSENGER ASSISTANCE-TRAINING FOR REGIS NEUROPSYCHOLOGY CLASSES-TRAINING FOR AIR FORCE ACADEMY CADETS-AMI WELLNESS-PROFESSIONAL ADVISORY COMMITTEE-CAMP DISCOVERY VOLUNTEERS- CATHY SCOTT FOUNDATION BOARD MEMBER-CENTER FOR WOMEN'S HEALTH RESEARCH-BOARD MEMBER- CENTER FOR WOMEN'S HEALTH RESEARCH-BOARD MEMBER-CHANDA PLAN FOUNDATION BOARD MEMBER- COLORADO HOSPITAL ASSOCIATION- BOARD MEMBER- HOMEBUILDERS FOUNDATION VOLUNTEERS-NATIONAL SPORTS CENTER FOR THE DISABLED- WINTER PARK- BOARD MEMBER-PVA MT STATES CHAPTER</p>

Part I General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

Yes

No

2

Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States
- Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.
- | (a) Name and address of organization or government | (b) EIN | (c) IRC Code section if applicable | (d) Amount of cash grant | (e) Amount of non-cash assistance | (f) Method of valuation (book, FMV, appraisal, other) | (g) Description of non-cash assistance | (h) Purpose of grant or assistance |
|--|------------|------------------------------------|--------------------------|-----------------------------------|---|--|------------------------------------|
| (1) AMERICAN HEART ASSOCIATION INC
7272 GREENVILLE AVE
DALLAS,TX 75231 | 13-5613797 | 501(C)(3) | 10,000 | | | | SPONSORSHIP |
| (2) BRAIN INJURY ALLIANCE OF COLORADO
4200 W CONEJOS PL 524
DENVER,CO 80204 | 84-0893049 | 501(C)(3) | 10,000 | | | | SPONSORSHIP |
| (3) CHRISTOPHER REEVE FOUNDATION
636 MORRIS TPKE 3A
SHORT HILLS,NJ 07078 | 22-2939536 | 501(C)(3) | 6,000 | | | | 4 TICKETS EVENING GALA |
| (4) COLORADO NEUROLOGICAL INSTITUTE
701 E HAMPDEN AVE 415
ENGLEWOOD,CO 80113 | 84-1100975 | 501(C)(3) | 11,000 | | | | ANNUAL SUPPORT |
| (5) ST ANTHONY HEALTH FOUNDATION
11600 W 2ND PL
LAKEWOOD,CO 80228 | 94-0902211 | 501(C)(3) | 5,500 | | | | FLIGHT FOR LIFE GOLF |
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- 2

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

5

3

Enter total number of other organizations listed in the line 1 table
- For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat No 50055P

Schedule I (Form 990) 2012

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

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
CRAIG HOSPITAL

Employer identification number
84-0404233

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 checked="" type="checkbox"/> Health or social club dues or initiation fees</div><div><input checked="" type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div></div>		
<div><div>b</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>	Yes	
<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>	Yes	
<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 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 checked="" 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>a</div><div>Receive a severance payment or change-of-control payment?</div></div>		No
<div><div>b</div><div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div></div>	Yes	
<div><div>c</div><div>Participate in, or receive payment from, an equity-based compensation arrangement?</div><div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III</div></div>		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>a</div><div>The organization?</div></div>		No
<div><div>b</div><div>Any related organization?</div><div>If "Yes," to line 5a or 5b, describe in Part III</div></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>a</div><div>The organization?</div></div>		No
<div><div>b</div><div>Any related organization?</div><div>If "Yes," to line 6a or 6b, describe in Part III</div></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>	Yes	
<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				
See Additional Data Table								

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
SUPPLEMENTAL INFORMATION	PART III	PART I, LINE 1A COUNTRY CLUB DUES AND FINANCIAL, ESTATE AND TAX PLANNING SERVICES PAID BY EMPLOYEE WERE REIMBURSED BY THE COMPANY AND INCLUDED IN EMPLOYEE'S FORM W2 TAXABLE WAGES. PART I, LINE 4B OFFICERS PARTICIPATE IN A NON-QUALIFIED 457F RETIREMENT PLAN. DURING THE TAX YEAR, THE FOLLOWING AMOUNTS WERE EARNED AND FUNDED BY THE HOSPITAL: MIKE FORDYCE \$120,000, JULIE KEEGAN \$40,000, DANA POLONSKY \$40,000, AND DIANE RICHARD \$40,000. DENNIS O'MALLEY, FORMER OFFICER, TOOK A PAY-OUT OF \$584,648 WHICH WAS INCLUDED ON HIS FORM W-2. PART 1, LINE 7 DISCRETIONARY BONUSES OF UP TO 10% OF BASE PAY ARE PAID TO DEPARTMENT DIRECTORS, UP TO 15% FOR VICE PRESIDENTS AND UP TO 30% FOR CEO BASED UPON ATTAINING SPECIFIED PERFORMANCE GOALS.

Software ID:
Software Version:
EIN: 84-0404233
Name: CRAIG HOSPITAL

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
MIKE FORDYCE	(i) (ii)	371,818 0	149,080 0	52,323 0	130,000 0	19,250 0	722,471 0	0 0
JULIE KEEGAN	(i) (ii)	199,641 0	41,870 0	12,166 0	49,780 0	15,570 0	319,027 0	0 0
DANA POLONSKY	(i) (ii)	151,962 0	44,247 0	39,102 0	49,188 0	18,124 0	302,623 0	0 0
DIANE REINHARD	(i) (ii)	160,787 0	46,717 0	40,221 0	49,846 0	18,156 0	315,727 0	0 0
LESTER BUTT	(i) (ii)	141,443 0	33,610 0	26,999 0	8,475 0	18,919 0	229,446 0	0 0
KENNY HOSACK	(i) (ii)	130,900 0	25,778 0	13,474 0	7,196 0	18,945 0	196,293 0	0 0
GALE WHITENECK	(i) (ii)	140,623 0	32,160 0	19,424 0	7,985 0	13,305 0	213,497 0	0 0
CHRIS WATKINS	(i) (ii)	133,526 0	21,328 0	371 0	6,484 0	18,923 0	180,632 0	0 0
CINDY BRADEN	(i) (ii)	115,943 0	26,280 0	21,402 0	6,567 0	9,108 0	179,300 0	0 0
DENNIS O'MALLEY	(i) (ii)	0 0	0 0	584,648 0	0 0	0 0	584,648 0	584,648 0

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
CRAIG HOSPITAL

Supplemental Information on Tax Exempt Bonds

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Employer identification number

84-0404233

Part I Bond Issues

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A COLORADO HEALTH FACILITIES AUTHORITY	84-0752932	19648AG82	12-03-2012	40,071,072	HOSPITAL EXPANSION & REFUND 2003 BONDS		X		X		X

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired								
2	Amount of bonds legally defeased	7,980,000							
3	Total proceeds of issue	40,071,072							
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	558,654							
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	4,725,189							
11	Other spent proceeds								
12	Other unspent proceeds	26,836,907							
13	Year of substantial completion	2016							
		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?	X							

Part VI

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

Identifier	Return Reference	Explanation
PART II, LINE 3	BOND PROCEEDS	PAR AMOUNT \$37,595,000 NET PREMIUM \$2,476,072 TOTAL PROCEEDS OF ISSUE \$40,071,072

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

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

OMB No 1545-0047
2012
Open to Public Inspection

Name of the organization
CRAIG HOSPITAL

Employer identification number
84-0404233

Part I

Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

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

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

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

Part II

Loans to and/or From Interested Persons.
Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?	(i) Written agreement?	
			To	From			Yes	No		Yes	No
Total ▶ \$											

Part III

Grants or Assistance Benefitting Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) CNS MEDICAL GROUP	TOM BALAZY, MEDICAL DIRECTOR OF CNS MEDICAL GROUP	799,210	MEDICAL DIRECTOR SERVICES		No
(2) LOCKTON COMPANIES	BILL LINDSEY, PRESIDENT, BENEFIT GROUP-DENVER	174,934	BENEFITS CONSULTING AND INSURANCE PREMIUM		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
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SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2012

Open to Public
Inspection

Name of the organization CRAIG HOSPITAL	Employer identification number 84-0404233
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Identifier	Return Reference	Explanation
ORGANIZATION MISSION STATEMENT	FORM 990, PART I, LINE 1	TO ADVOCATE FOR AND PROVIDE EXEMPLARY REHABILITATION CARE TO PEOPLE AFFECTED BY SPINAL CORD AND TRAUMATIC BRAIN INJURY SO THAT THEY CAN ACHIEVE OPTIMAL HEALTH, INDEPENDENCE, AND LIFE QUALITY

Identifier	Return Reference	Explanation
ORGANIZATION MISSION STATEMENT	FORM 990, PART III, LINE 1	CRAIG HOSPITAL IS A 93-BED LONG-TERM ACUTE CARE AND REHABILITATION HOSPITAL THAT PROVIDES CARE EXCLUSIVELY FOR PATIENTS WITH SPINAL CORD AND TRAUMATIC BRAIN INJURIES CRAIG HOSPITAL PROVIDES A COMPREHENSIVE SYSTEM OF INPATIENT AND OUTPATIENT MEDICAL CARE, REHABILITATION, NEUROSURGICAL REHABILITATIVE CARE AND LONG-TERM FOLLOW-UP SERVICES

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 4	SUMMARY OF CHANGES TO BY LAWS (1) THE NUMBER OF BOARD MEMBERS WAS INCREASED TO ALLOW THE BOARD THE ABILITY TO INCREASE THE NUMBER OF MEMBERS TO NO MORE THAN TWENTY-FOUR (24) OF THESE, NO MORE THAN TWENTY-TWO (22) DIRECTORS SHALL BE VOLUNTEER MEMBERS FROM THE COMMUNITY (2) THE TERM OF THE CHAIR WAS CHANGED SO UNDER EXTENUATING CIRCUMSTANCES, IT COULD BE EXTENDED FOR ONE (1) ADDITIONAL YEAR FOR A TOTAL OF TWO (2) YEARS, SUBJECT TO MAJORITY VOTE BY THE BOARD (3) THE REVISED EXECUTIVE COMMITTEE AND FINANCE-AUDIT COMMITTEE CHARTERS, WHICH WERE PREVIOUSLY APPROVED, WERE ADDED TO THE BY LAWS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	PRIOR TO FILING, THE FORM 990 AND RELATED SCHEDULES WERE PRESENTED, REVIEWED AND APPROVED BY THE FINANCE/AUDIT COMMITTEE OF THE BOARD OF DIRECTORS. COPIES WERE ALSO DISTRIBUTED TO THE FULL BOARD ALONG WITH A REPORT FROM THE FINANCE/AUDIT COMMITTEE.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	ALL BOARD MEMBERS, VICE PRESIDENTS AND DIRECTOR-LEVEL POSITIONS COMPLETE A DUALITY OF INTEREST FORM ANNUALLY AND ANY DISCLOSURES ARE SHARED WITH THE BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE EXECUTIVE COMMITTEE COMMISSIONS AN INDEPENDENT COMPENSATION CONSULTING FIRM EVERY 2-3 YEARS TO CONDUCT A STUDY OF COMPENSATION OF THE KEY LEADERSHIP POSITIONS WITHIN THE HOSPITAL UTILIZING DATA FROM BOTH LOCAL AND NATIONAL HOSPITALS THIS DATA WAS UTILIZED BY THE EXECUTIVE COMMITTEE WHEN IT APPROVES THE COMPENSATION OF THE PRESIDENT/CEO AND OTHER TOP MANAGEMENT POSITIONS WITHIN THE HOSPITAL ALL OF THE DETAILS OF THE DELIBERATION AND DECISION MAKING PROCESS ARE DOCUMENTED IN THE EXECUTIVE COMMITTEE MINUTES

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	CRAIG HOSPITAL'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST

Identifier	Return Reference	Explanation
OTHER FEES	FORM 990, PART IX, LINE 11G	CONTRACTED MEDICAL SERVICES PROGRAM SERVICE EXPENSES 10,412,799 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 10,412,799 CONSULTING SERVICES PROGRAM SERVICE EXPENSES 30,035 MANAGEMENT AND GENERAL EXPENSES 535,132 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 565,167 MEDICAL DIRECTOR SERVICES PROGRAM SERVICE EXPENSES 555,750 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 555,750 LAUNDRY SERVICES PROGRAM SERVICE EXPENSES 307,501 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 307,501 PURCHASED SERVICES PROGRAM SERVICE EXPENSES 130,912 MANAGEMENT AND GENERAL EXPENSES 66,298 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 197,210 CONTRACT LABOR PROGRAM SERVICE EXPENSES 121,247 MANAGEMENT AND GENERAL EXPENSES 520 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 121,767 OTHER SERVICES PROGRAM SERVICE EXPENSES 14,467 MANAGEMENT AND GENERAL EXPENSES 6,220 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 20,687

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
CRAIG HOSPITAL

Employer identification number
84-0404233

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) REHABILITATION DOCUMENTATION SERVICES 3425 S CLARKSON STREET ENGLEWOOD, CO 80113 03-0434653	SOFTWARE DEVELOPMENT	CO	69,891	143,252	CRAIG HOSPITAL

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) CRAIG HOSPITAL FOUNDATION 3425 S CLARKSON ST ENGLEWOOD, CO 80113 23-7352287	FUNDRAISING	CO	501(C)(3)	11A/TYPE I	CRAIG HOSPITAL	Yes	

Part III

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

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

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end- of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) ADAPTIVE EQUIPMENT CO 3425 S CLARKSON ST ENGLEWOOD, CO 801132811 84-1280869	INACTIVE	CO	CRAIG HOSPITAL	C			100 000 %	Yes	

Part V

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

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

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

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

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

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

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

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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

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

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

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

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

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

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

Yes

No

1a

No

1b

No

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

No

1i

No

1j

No

1k

No

1l

Yes

1m

Yes

1n

Yes

1o

Yes

1p

No

1q

Yes

1r

No

1s

No

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

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) CRAIG HOSPITAL FOUNDATION	C	10,301,676	ACTUAL COSTS
(2) CRAIG HOSPITAL FOUNDATION	Q	1,089,127	ACTUAL COSTS

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]

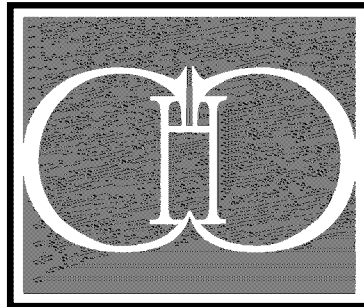
Software ID:
Software Version:
EIN: 84-0404233
Name: CRAIG HOSPITAL

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	
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CRAIG HOSPITAL AND AFFILIATES

**Consolidated Financial Statements
September 30, 2013 and 2012,
Independent Auditors' Report,
and
Supplementary Information
September 30, 2013**

EKS&H

AUDIT | TAX | CONSULTING

CRAIG HOSPITAL AND AFFILIATES

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Craig Hospital and Affiliates
Englewood, Colorado

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Craig Hospital and Affiliates, which are comprised of the consolidated balance sheets as of September 30, 2013 and 2012, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

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

OPINION

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Craig Hospital and Affiliates as of September 30, 2013 and 2012, and the changes in their net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

OTHER MATTERS

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

EKS&H LLP

EKS&H LLP

January 31, 2014
Denver, Colorado

CRAIG HOSPITAL AND AFFILIATES

Consolidated Balance Sheets

	September 30,	
	2013	2012
Assets		
Current assets		
Cash and cash equivalents	\$ 5,160,616	\$ 5,538,859
Short-term investments	26,455,315	29,242,940
Assets limited as to use required for current liabilities	2,129,569	-
Receivables		
Patients, net of allowance for uncollectible accounts of \$218,053 (2013) and \$283,568 (2012)	19,437,620	18,121,478
Grants and other	622,477	493,861
Inventories	512,109	458,033
Prepaid expenses and other assets	1,065,355	1,289,449
Total current assets	<u>55,383,061</u>	<u>55,144,620</u>
Assets limited as to use		
Board-designated and donor-restricted investments	73,142,250	40,399,722
SERP fund	921,898	1,054,800
Total assets limited as to use	<u>74,064,148</u>	<u>41,454,522</u>
Land, buildings, and equipment, net	63,215,339	48,345,913
Contributions receivable, net	14,104,461	4,727,578
Deferred debt issuance costs, net	537,789	79,132
Total assets	<u>\$ 207,304,798</u>	<u>\$ 149,751,765</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 6,947,464	\$ 5,321,316
Pay roll and pay roll-related expenses	4,040,283	4,665,863
Compensated absences	1,788,426	1,724,397
Current portion of long-term debt	625,000	875,000
Total current liabilities	<u>13,401,173</u>	<u>12,586,576</u>
Long-term debt, net of current portion	39,377,292	7,980,000
SERP obligation	1,161,898	1,300,051
Post-retirement benefit obligation	176,009	439,420
Total liabilities	<u>54,116,372</u>	<u>22,306,047</u>
Commitments and contingencies		
Net assets		
Unrestricted	133,345,620	116,076,221
Temporarily restricted	17,358,639	10,306,694
Permanently restricted	2,484,167	1,062,803
Total net assets	<u>153,188,426</u>	<u>127,445,718</u>
Total liabilities and net assets	<u>\$ 207,304,798</u>	<u>\$ 149,751,765</u>

See notes to consolidated financial statements

CRAIG HOSPITAL AND AFFILIATES

Consolidated Statements of Operations

	For the Years Ended September 30,	
	2013	2012
Unrestricted revenues and other support		
Net patient service revenues	\$ 75,609,728	\$ 76,954,411
Other operating revenues	2,753,998	2,281,821
Net assets released from restrictions		
Research	2,884,031	2,671,017
Other programs and costs	1,346,027	1,571,267
Total unrestricted revenues and other support	<u>82,593,784</u>	<u>83,478,516</u>
Operating expenses		
Wages, salaries, and benefits	46,565,373	42,951,644
Purchased services	12,015,240	13,096,648
Supplies and other	9,310,555	8,911,634
Research	2,884,031	2,671,017
Depreciation and amortization	4,795,371	4,418,820
Interest	20,394	18,023
Insurance, legal, and other professional services	1,184,276	1,379,913
Provision for bad debts	153,265	148,716
Other programs and costs	1,879,780	2,311,281
Total operating expenses	<u>78,808,285</u>	<u>75,907,696</u>
Operating income	<u>3,785,499</u>	<u>7,570,820</u>
Other income		
Investment and other	1,479,226	966,367
Contributions	1,830,917	1,704,351
Total other income	<u>3,310,143</u>	<u>2,670,718</u>
Excess of revenues over expenses	<u>7,095,642</u>	<u>10,241,538</u>
Unrealized (losses) gains on investments	(457,828)	1,480,239
Net assets released for long-term asset acquisitions	10,631,585	-
	<u>10,173,757</u>	<u>1,480,239</u>
Change in unrestricted net assets	<u>\$ 17,269,399</u>	<u>\$ 11,721,777</u>

See notes to consolidated financial statements

CRAIG HOSPITAL AND AFFILIATES

Consolidated Statements of Changes in Net Assets

	For the Years Ended September 30,	
	2013	2012
Unrestricted net assets		
Excess of revenues over expenses	\$ 7,095,642	\$ 10,241,538
Unrealized (losses) gains on investments	(457,828)	1,480,239
Net assets released for long-term asset acquisitions	<u>10,631,585</u>	<u>-</u>
Change in unrestricted net assets	<u>17,269,399</u>	<u>11,721,777</u>
Temporarily restricted net assets		
Research grants	2,884,031	2,671,017
Contributions	18,817,526	5,380,474
Investment income	212,031	249,200
Net assets released from restrictions		
Research	(2,884,031)	(2,671,017)
Other programs and costs	(11,977,612)	(1,571,267)
Net assets transferred to temporarily restricted net assets	<u>-</u>	<u>50,000</u>
Change in temporarily restricted net assets	<u>7,051,945</u>	<u>4,108,407</u>
Permanently restricted net assets		
Contributions	1,421,364	11,280
Net assets transferred from permanently restricted net assets	<u>-</u>	<u>(50,000)</u>
Change in permanently restricted net assets	<u>1,421,364</u>	<u>(38,720)</u>
Change in net assets	25,742,708	15,791,464
Net assets, beginning of year	<u>127,445,718</u>	<u>111,654,254</u>
Net assets, end of year	<u>\$ 153,188,426</u>	<u>\$ 127,445,718</u>

See notes to consolidated financial statements

CRAIG HOSPITAL AND AFFILIATES

Consolidated Statements of Cash Flows

	For the Years Ended September 30,	
	2013	2012
Cash flows from operating activities		
Change in net assets	\$ 25,742,708	\$ 15,791,464
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Net unrealized losses (gains) on investments	262,068	(1,480,239)
Depreciation and amortization	4,795,371	4,418,820
Provision for bad debts	11,633	2,502
Loss from disposal of equipment and other	50,071	425,211
Provision for uncollectible pledges	141,632	137,462
Discount on long-term pledges	195,589	26,592
Receipts for permanently restricted endowment	(1,421,364)	(11,280)
Changes in operating assets and liabilities		
Patients' receivables	(1,327,775)	(995,392)
Contributions receivable	(9,714,104)	(2,604,378)
Grants receivable and other	(127,132)	(101,384)
Inventories	(54,076)	(2,601)
Prepaid expenses and other assets	224,094	(353,489)
Accounts payable and accrued expenses	1,579,433	1,019,860
Payroll and payroll-related expenses, compensated absences, post-retirement benefit obligation, and SERP obligation	(917,884)	(972,193)
	<u>(6,302,444)</u>	<u>(490,509)</u>
Net cash provided by operating activities	<u>19,440,264</u>	<u>15,300,955</u>
Cash flows from investing activities		
Purchases of marketable securities	(90,190,139)	(43,303,222)
Sales of marketable securities	57,976,501	34,513,954
Purchases of land, buildings, and equipment	<u>(19,689,151)</u>	<u>(5,782,868)</u>
Net cash used in investing activities	<u>(51,902,789)</u>	<u>(14,572,136)</u>
Cash flows from financing activities		
Principal payments on long-term debt	(8,855,000)	(850,000)
Proceeds from issuance of long-term debt	40,071,072	-
Payment for debt issuance costs	(553,154)	-
Contributions for permanently restricted endowment	<u>1,421,364</u>	<u>11,280</u>
Net cash provided by (used in) financing activities	<u>32,084,282</u>	<u>(838,720)</u>
Net decrease in cash and cash equivalents	(378,243)	(109,901)
Cash and cash equivalents at beginning of year	<u>5,538,859</u>	<u>5,648,760</u>
Cash and cash equivalents at end of year	<u>\$ 5,160,616</u>	<u>\$ 5,538,859</u>

(Continued on the following page)

See notes to consolidated financial statements

CRAIG HOSPITAL AND AFFILIATES

Consolidated Statements of Cash Flows

(Continued from the previous page)

Supplemental disclosure of cash flow information

Cash paid for interest was \$792,790 and \$13,982 during the years ended September 30, 2013 and 2012, respectively

Non-cash activity

During 2013 and 2012, the Hospital adjusted its SERP fund to fair market value by recording \$106,070 and \$121,670, respectively, of investment earnings on the asset, as well as the related liability. The fair value is determined using market quotes as of the dates reported. Ending SERP fund balances also reflect total distributions made during the year.

During 2013, the Hospital paid interest of \$792,790 and accrued interest of \$532,042 on the 2012 Bonds, which is capitalized in land, buildings, and equipment, net of interest income on the bond proceeds held in assets limited as to use of \$35,973.

During 2013, the amortization of the 2012 Bonds premium of \$68,780 was capitalized in land, buildings, and equipment.

See notes to consolidated financial statements

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies

Organization

Craig Hospital, a not-for-profit corporation located in Denver, Colorado, provides a wide range of treatment and rehabilitative services for spinal, brain, and other nervous system related injuries to patients from Colorado and other states

Craig Hospital Foundation (the "Foundation"), a not-for-profit corporation located in Denver, Colorado, was formed to promote and improve public health and welfare and the general well-being of mankind through the development and provision of health care services. The Foundation supports Craig Hospital's charitable and educational purposes and contributes its funds for these programs.

Rehabilitation Documentation Services, LLC ("RDS") is a for-profit wholly owned limited liability company.

Basis of Presentation

The consolidated financial statements, which include the accounts of Craig Hospital and its wholly owned subsidiary, RDS, and the affiliated Foundation (collectively, the "Hospital") are prepared on the accrual basis of accounting. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include amounts on deposit in demand accounts and investments with an original maturity of three months or less whose use is not limited, excluding balances held in the investment portfolio. The Hospital continually monitors its positions with, and the credit quality of, the financial institutions with which it invests. Throughout the year, the Hospital held balances of cash and cash equivalents in excess of the federally insured limit.

Investments and Investment Return

Investments in equity securities and all investments in debt securities are reported at their fair values, with unrealized gains and losses included in the consolidated statements of operations and changes in net assets. Investment income is reported as other income. Unrealized gains and losses on investments other than trading securities are excluded from the excess of revenues over expenses. Investment income and gains restricted by a donor are reported as increases in temporarily restricted net assets.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

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

Assets Limited as to Use

Assets limited as to use consist of donor-restricted investments and designated assets set aside by the Board of Directors for capital improvements, endowment funds, and a supplemental executive retirement plan. The Board of Directors retains control over Board-designated assets and may, at its discretion, subsequently use these assets for other purposes. In 2013, the balance includes the unexpended bond proceeds held by the trustee of \$24,707,338.

Inventories

Inventories, consisting of medical and other operating supplies, are stated at the lower of cost or market on a first-in, first-out basis.

Land, Buildings, and Equipment

Land, buildings, and equipment are recorded at cost. Interest incurred, net of interest earned on related funds held by a trustee under bond agreements, in connection with borrowings to finance major construction, is capitalized until the related assets are put into service and subsequently amortized over the lives of the related assets. Depreciation and amortization are recorded using the straight-line method over the shorter of the estimated useful life or lease term of the related assets, which ranges from 3 years to 40 years.

The Hospital's capitalization policy requires individual assets to be capitalized if the original cost or fair value at date of donation exceeds \$1,000 and the asset life is greater than one year.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years, if any, are recorded at the present value of estimated future cash flows. The discounts on these pledges are computed using a risk-free interest rate, net of an allowance for uncollectible accounts, if necessary. The allowance method is used to determine uncollectible contributions receivable. The allowance is based on management's estimate and analysis of specific pledges.

Long-Lived Assets

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell. No impairment losses were recorded as of September 30, 2013 and 2012.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

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

Deferred Debt Issuance Costs

Deferred debt issuance costs include bond fees and are amortized using the effective interest method over the original term of the related debt of 30 years

Excess of Revenues Over Expenses

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

Net Patient Service Revenues and Patient Accounts Receivable

Net patient service revenues are reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated adjustments under agreements with third-party payors. Adjustments are recorded on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

The Hospital assesses a patient's ability to pay at the time services are rendered, and accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, management analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for uncollectible accounts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with self-pay patients, the Hospital records a provision for uncollectible accounts in the period of service on the basis of past experience and specific identification. The difference between the standard rates, or the discounted rates if negotiated or provided by policy, and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Charity Care and Contractual Allowances

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. Charity care provided during the years ended September 30, 2013 and 2012, based on cost of services provided, totaled \$1,342,175 and \$1,340,536, respectively. In addition, the Hospital also provides medical services to patients covered under state Medicaid programs at less than established rates, which are recorded as contractual adjustments. These contractual adjustments totaled \$10,749,704 and \$9,632,676 for the years ended September 30, 2013 and 2012, respectively. The Hospital has not changed its charity care or uninsured discount policies during fiscal years 2013 or 2012.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

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

Contributions

Contributions and bequests are available for unrestricted use unless specifically restricted by the donor. Contributions are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the accompanying consolidated statements of operations as net assets released from restrictions. In-kind donations are recorded at fair value at the date of gift. In the absence of donor specification that income and gains on donated funds are restricted, such income and gains are reported as unrestricted income.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use has been limited by the donor to a specific time period or purpose. Temporarily restricted net assets as of September 30, 2013 and 2012 are available for support of various patient programs and capital improvements. Permanently restricted net assets are to be maintained in perpetuity, the income from which is available for program support. Permanently restricted net assets consist of endowment funds, the income from which is available to support various patient programs.

Endowment Fund

During 2004, the Foundation's Board of Directors set aside \$3,000,000 in an endowment fund for the purpose of protecting the future excellence of Craig Hospital. During 2008, an additional \$1,000,000 was set aside from the proceeds from the sale of a subsidiary of Craig Hospital. During 2012, the Board of Directors approved the release of \$4,925,000 of Board-designated endowment funds for the purpose of paying for future expansion at the Hospital. The remaining Board-designated endowment funds were released in 2013.

Income Tax Status

The Hospital and the Foundation qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code. RDS is a limited liability company and is not a tax-paying entity for federal income tax purposes, therefore, no income tax expense has been recorded in the consolidated financial statements. Members are taxed individually on their shares of RDS's earnings.

The Hospital applies a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in a tax return. After evaluating the tax positions taken, none are considered to be uncertain, therefore, no amounts have been recognized as of September 30, 2013 and 2012.

If incurred, interest and penalties associated with tax positions are recorded in the period assessed in other programs and costs. No interest or penalties have been assessed as of September 30, 2013 and 2012.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

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

Income Tax Status (continued)

Tax years that remain subject to examination include 2010 through the current period for the federal return and 2009 through the current period for the Colorado return

Reclassifications

Certain amounts in the 2012 consolidated financial statements have been reclassified to conform to the 2013 presentation

Recently Adopted Accounting Pronouncements

During 2013, the Hospital adopted Accounting Standards Update ("ASU") No. 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*, an amendment to Accounting Standards Codification Topic 954, *Health Care Entities*. ASU No. 2011-07 requires health care organizations that do not assess the collectibility of a receivable before recognizing revenue to present their provision for bad debt related to patient service revenue as a deduction from revenue, net of contractual allowances and discounts, on their statement of operations. The adoption of this standard did not impact the consolidated financial statements, as the Hospital does not recognize significant revenue without assessing a patient's ability to pay.

Subsequent Events

The Hospital has evaluated all subsequent events through the auditors' report date, which is the date the consolidated financial statements were available for issuance. No subsequent events require disclosure based upon this review.

Note 2 - Concentration of Credit Risk

The Hospital grants credit without collateral to its patients, most of whom are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows:

	September 30,	
	2013	2012
Other third-party payors	59 %	61 %
Workers' compensation	17	19
Medicare	17	12
Medicaid	7	8
Total	100 %	100 %

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 3 - Net Patient Service Revenues

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

Medicare and Medicaid

Services rendered to Medicare and Medicaid program beneficiaries are paid based on diagnosis-related groups and are subject to audit and retroactive adjustment. Laws and regulations governing these programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change in the near term. Management believes that the Hospital is in substantial compliance with current laws and regulations related to the Medicare and Medicaid programs.

Other Third-Party Payors

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

Note 4 - Investments

The fair values of investments held are as follows:

	September 30,	
	2013	2012
Obligations of the U S government and government agencies	\$ 41,132,446	\$ 22,902,332
Fixed income securities	12,662,241	19,235,781
Equity securities	10,854,138	7,854,348
Mutual funds	23,644,766	14,122,051
Bond funds	1,942,810	1,943,500
Cash equivalents	12,259,045	4,448,079
Accrued interest	153,586	191,371
Total	<u>\$ 102,649,032</u>	<u>\$ 70,697,462</u>
Short-term investments	\$ 26,455,315	\$ 29,242,940
Assets limited as to use required for current liabilities	2,129,569	-
Assets limited as to use	<u>74,064,148</u>	<u>41,454,522</u>
Total	<u>\$ 102,649,032</u>	<u>\$ 70,697,462</u>

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 4 - Investments (continued)

The following schedule summarizes the investment return included in the accompanying consolidated statements of operations

	For the Years Ended September 30,	
	2013	2012
Unrealized (losses) gains	\$ (262,068)	\$ 1,480,239
Dividends and interest	1,124,713	975,893
Realized gains on investments	608,163	845,337
Investment management fees	<u>(187,308)</u>	<u>(190,298)</u>
	<u>\$ 1,283,500</u>	<u>\$ 3,111,171</u>

Note 5 - Land, Buildings, and Equipment

Land, buildings, and equipment consist of the following

	September 30,	
	2013	2012
Land	\$ 6,651,277	\$ 5,860,189
Land improvements	577,271	656,573
Buildings and improvements	33,903,965	33,677,208
Equipment	45,529,458	44,297,100
Construction in progress	<u>18,666,484</u>	<u>2,947,659</u>
	105,328,455	87,438,729
Less accumulated depreciation and amortization	<u>(42,113,116)</u>	<u>(39,092,816)</u>
Total land, buildings, and equipment	<u>\$ 63,215,339</u>	<u>\$ 48,345,913</u>

In March 2012, the Hospital began planning for a \$90 million construction project to improve, update, and expand the Hospital's existing facilities. Actual construction began in March 2013 with a projected completion date of August 2016. During the year ended September 30, 2013, the Hospital capitalized interest in the amount of \$1,220,079, net of interest income and premium amortization on the 2012 Bonds.

Depreciation expense for the years ended September 30, 2013 and 2012 was \$4,700,874 and \$4,418,820, respectively.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 6 - Fair Value Measurements

Authoritative guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The guidance establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Hospital. Unobservable inputs are inputs that reflect the Hospital's assumptions of what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of the inputs as follows:

- Level 1 Quoted prices in active markets for identical assets or liabilities that are accessible at the reporting date. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2 Quoted prices in active markets for similar assets and liabilities that are observable for the asset or liability.
- Level 3 Unobservable pricing inputs that are generally less observable from objective sources, such as discounted cash flow models or valuations. The inputs into the determination of fair value require significant management judgment or estimation.

The financial assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement. These classifications (Levels 1, 2, and 3) are intended to reflect the observability of inputs used in the valuation of investments and are not necessarily an indication of risk or liquidity. There were no changes to the Hospital's valuation techniques during the year.

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

Government obligations, equity securities, bond funds, and mutual funds: Valued at the closing price reported on the active market on which the securities are traded.

Fixed income securities: Valued based on prices currently available on comparable securities of the issuer or other issuers with similar credit ratings.

Debt is recorded at carrying value of \$40,002,292 on the consolidated balance sheet as of September 30, 2013. The fair value of the Hospital's debt is based on actual historical pricing based on the last trade executed on that day and reported by Bloomberg. As of September 30, 2012, the carrying amount of long-term debt approximated fair value due to its floating rate structure.

Other financial instruments not measured at fair value on a recurring basis include cash and cash equivalents, receivables, accounts payable, and accrued expenses. These financial statement carrying amounts approximate their fair values due to their short-term nature.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 6 - Fair Value Measurements (continued)

The following table provides information by level for assets and liabilities that are recorded at fair value on a recurring basis at September 30, 2013

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Obligations of the U S government and government agencies	\$ 41,132,446	\$ -	\$ -	\$ 41,132,446
Fixed income securities	-	12,662,241	-	12,662,241
Equity securities	10,854,138	-	-	10,854,138
Mutual funds	23,644,766	-	-	23,644,766
Bond funds	<u>1,942,810</u>	<u>-</u>	<u>-</u>	<u>1,942,810</u>
Total assets	<u>\$ 77,574,160</u>	<u>\$ 12,662,241</u>	<u>\$ -</u>	<u>\$ 90,236,401</u>

The following table provides information by level for assets and liabilities that are recorded at fair value on a recurring basis at September 30, 2012

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Obligations of the U S government and government agencies	\$ 22,902,332	\$ -	\$ -	\$ 22,902,332
Fixed income securities	-	19,235,781	-	19,235,781
Equity securities	7,854,348	-	-	7,854,348
Mutual funds	14,122,051	-	-	14,122,051
Bond funds	<u>1,943,500</u>	<u>-</u>	<u>-</u>	<u>1,943,500</u>
Total assets	<u>\$ 46,822,231</u>	<u>\$ 19,235,781</u>	<u>\$ -</u>	<u>\$ 66,058,012</u>

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 6 - Fair Value Measurements (continued)

Following is a reconciliation of the fair value amounts above to the amounts presented in the consolidated balance sheets

	<u>September 30,</u>	
	<u>2013</u>	<u>2012</u>
Total financial assets from fair value tables	\$ 90,236,401	\$ 66,058,012
Cash equivalents	12,259,045	4,448,079
Accrued interest	<u>153,586</u>	<u>191,371</u>
	<u><u>\$ 102,649,032</u></u>	<u><u>\$ 70,697,462</u></u>
Short-term investments	\$ 26,455,315	\$ 29,242,940
Assets limited as to use required for current liabilities	2,129,569	-
Board-designated and donor-restricted investments	73,142,250	40,399,722
SERP fund	<u>921,898</u>	<u>1,054,800</u>
	<u><u>\$ 102,649,032</u></u>	<u><u>\$ 70,697,462</u></u>

The following table provides information regarding the estimated fair value of outstanding debt, which is recorded at carrying value in the consolidated balance sheet at September 30, 2013

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Debt				
Hospital - Colorado Health Facilities Authority				
Hospital Revenue Bonds Series 2012	\$ -	\$ 34,529,174	\$ -	\$ 34,529,174
Total debt	<u><u>\$ -</u></u>	<u><u>\$ 34,529,174</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 34,529,174</u></u>

Note 7 - Contributions Receivable

Contributions receivable consist of the following

	<u>September 30,</u>	
	<u>2013</u>	<u>2012</u>
Due in less than one year	\$ 4,454,140	\$ 2,445,799
Due in one to five years	10,160,708	2,454,945
Unamortized discount on contributions	<u>(222,541)</u>	<u>(26,952)</u>
	14,392,307	4,873,792
Allowance for uncollectible accounts	<u>(287,846)</u>	<u>(146,214)</u>
Total	<u><u>\$ 14,104,461</u></u>	<u><u>\$ 4,727,578</u></u>

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 7 - Contributions Receivable (continued)

Contributions that are due in less than one year but are related to long-term purposes are classified as non-current assets on the accompanying consolidated balance sheets due to the long-term nature of the underlying purpose. The effective interest rate used to calculate the discount on contributions receivable ranged from 0.21% to 1.93%.

Note 8 - Long-Term Debt

Long-term debt consists of the following:

	<u>September 30,</u>	
	<u>2013</u>	<u>2012</u>
Hospital - Colorado Health Facilities Authority Hospital Revenue Bonds Series 2012	\$ 37,595,000	\$ -
Hospital - Colorado Health Facilities Authority Variable Rate Demand Revenue Refunding Bonds Series 2003	-	8,855,000
Less current portion	<u>(625,000)</u>	<u>(875,000)</u>
Long-term portion	36,970,000	7,980,000
Unamortized debt premium	<u>2,407,292</u>	<u>-</u>
Total	<u><u>\$ 39,377,292</u></u>	<u><u>\$ 7,980,000</u></u>

In June 2003, the Hospital issued Colorado Health Facilities Authority Variable Rate Demand Revenue Refunding Bonds Series 2003 ("2003 Bonds") in the amount of \$15,000,000. The 2003 Bonds were issued to provide for the advance refunding of the Colorado Health Facilities Authority Hospital Revenue Bonds Series 1993 ("1993 Bonds") and the Colorado Health Facilities Authority Variable Rate Demand Revenue Bonds Series 2001 ("2001 Bonds"). The 2003 Bonds were refunded in December 2012 upon the issuance of the 2012 Bonds.

In December 2012, the Hospital issued Colorado Health Facilities Authority Hospital Revenue Bonds (Craig Hospital Project) Series 2012 (the "2012 Bonds") in the amount of \$37,595,000. In addition, the bonds were issued at a premium of \$2,476,072, which is amortized over the life of the 2012 Bonds (30 years). The purpose of the bond issuance is to fund an improvement project for the Hospital as well as to refund the 2003 Bonds. The 2012 Bonds mature annually at escalating amounts through 2042. Interest rates are defined by the bond agreement and are payable on the first day of June and December of each year, commencing June 1, 2013. The 2012 Bonds are redeemable at any time on or after December 1, 2022, in whole or in part, plus accrued interest to the redemption date. The 2012 Bonds are secured by a security interest with respect to all gross revenues of the Hospital. The 2012 Bonds Master Indenture requires the Hospital to maintain certain covenants. As of September 30, 2013, the Hospital was in compliance with all covenant requirements.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 8 - Long-Term Debt (continued)

The Hospital's annual debt service requirements as of September 30, 2013 are as follows

Year Ending September 30,

2014	\$ 625,000
2015	640,000
2016	665,000
2017	690,000
2018	720,000
Thereafter	<u>34,255,000</u>
Total	<u>\$ 37,595,000</u>

Note 9 - Benefit Plans

The Hospital has a defined contribution retirement plan (the "Plan"), which is administered by a designated insurance company and includes a group of investment alternatives from which employees may choose. Contributions are made on behalf of qualified employees eligible for benefits at varying levels based on years of service to the Hospital. Contributions may also include a matching amount up to 4% of qualified voluntary employee contributions. Employer basic and matching contributions vest at 20% per year for prior service commencing with the employee's completion of two years of employment. The Hospital's contributions to the Plan were approximately \$2,570,000 and \$2,200,000 for the years ended September 30, 2013 and 2012, respectively.

In addition, the Hospital established a Section 457(f) supplemental executive retirement plan ("SERP") for the exclusive benefit of certain executives. Certain forfeiture provisions apply to the SERP, as defined in the SERP agreements, in which funds would revert back to the Hospital. The balance of the SERP fund as of September 30, 2013 and 2012 is \$921,898 and \$1,054,800, respectively. The balance of the related liability is \$1,161,898 and \$1,300,051 for the years ended September 30, 2013 and 2012, respectively. The difference of \$240,000 and \$245,251 as of September 30, 2013 and 2012, respectively, represents the contributions approved by the Board of Directors to be paid to the SERP in the year following each of the respective years noted above. Total contributions to the SERP fund were approximately \$240,000 and \$240,000 for the years ended September 30, 2013 and 2012, respectively. In March 2011, two new accounts were created at Great West Life and Annuity Insurance Company, \$130,000 was placed in a 457(f) Mutual Choice Plan and \$110,000 was placed in a Company Owned Life Insurance ("COLI") account. The Hospital funded these two accounts in the same manner in 2012 and 2013. These accounts were created to replace the original 457(f) that was established prior to 2011. The original 457(f) still maintains a balance but no longer receives additional contributions.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 9 - Benefit Plans (continued)

The Hospital has a post-employment medical and prescription drug benefit plan ("PERP") available to eligible retired employees who meet defined service requirements. The PERP is being phased out for current and future participants through 2015, and all benefits are expected to be paid within the next two years. The PERP is unfunded. The accumulated post-retirement benefit obligation related to the PERP totaled \$176,009 and \$439,420 as of September 30, 2013 and 2012, respectively. The benefit obligation has been calculated using a discount rate of 2.5%, with assumed 10% annual increases in the health care cost trend rates. Benefits paid to PERP beneficiaries totaled approximately \$104,000 and \$93,000 during the years ended September 30, 2013 and 2012, respectively.

Note 10 - Grants and Contracts

The Hospital has entered into agreements with various agencies of the U.S. government and other organizations to perform research and related projects. The grants and contracts are subject to various expense restrictions and are subject to audit to determine compliance with the agreements. Indirect costs are recovered based upon provisional rates. Adjustments to reflect actual indirect costs are made through the adjustment of future indirect cost rates. Management believes that any costs questioned in audits and future indirect cost adjustments will not be material in relation to the Hospital's accompanying consolidated financial statements. Accordingly, no allowances have been established.

Note 11 - Commitments and Contingencies

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

The Hospital maintains professional liability insurance through a claims-made commercial insurance policy. The policy provides coverage up to specified policy limits for claims filed within the period of the policy term. The Hospital, based upon information provided by its insurance carrier, has determined that the estimated liability for potential losses incurred but not reported at September 30, 2013 is not material to the accompanying consolidated financial statements.

The Hospital has entered into contracts for the design and construction of an improvement project it is currently undertaking. As of September 30, 2013, the Hospital has entered into contracts totaling approximately \$72,030,000 for its improvement and expansion project over its existing facilities. The total budget of this project is \$86.5 million, and the Hospital has incurred approximately \$17,067,000 and \$1,872,000 in related costs through September 30, 2013 and 2012, respectively.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 11 - Commitments and Contingencies (continued)

Self-Funded Benefit Plan

The Hospital provides self-funded contributory medical and dental coverage to eligible employees. The coverage was previously provided through the Craig Hospital Health Benefit Trust (the "Trust"), a voluntary employee beneficiary association. The Trust was dissolved effective December 31, 2009, and all coverage was assumed by the Hospital. The Hospital, as well as the participating employees, make contributions to fund the benefits provided under this plan. As of September 30, 2013 and 2012, the estimated liability for claims incurred but not reported was \$625,000 and \$800,000, respectively, and is included in accounts payable and accrued expenses in the accompanying consolidated financial statements. The insurance premiums collected by the Hospital are scheduled for increases, as necessary, in order to fund reserves to maximum liability and provide funding for all estimated incurred but not reported claims.

Note 12 - Functional Expenses

The Hospital provides a wide range of treatment and rehabilitation services for spinal, brain, and other nerve-related injuries to patients from Colorado and other states, as well as research and educational activities for the community. Expenses related to providing these services are as follows:

	For the Years Ended September 30,	
	2013	2012
Health care services	\$ 51,687,255	\$ 49,795,009
General and administration	19,008,052	17,960,539
Depreciation, amortization, interest, and provision for bad debts	4,827,398	4,442,344
Foundation expenditures	<u>3,288,585</u>	<u>3,709,804</u>
Total	<u>\$ 78,811,290</u>	<u>\$ 75,907,696</u>

Note 13 - Investments in Endowments

The Hospital's endowments consist of various funds established for a variety of purposes, including supporting graduates, ensuring the future excellence of Craig Hospital, and general purposes. The endowments include both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 13 - Investments in Endowments (continued)

The Hospital classifies the portion of a donor-restricted endowment that is perpetual in nature as permanently restricted net assets. The remaining portion of accumulations to donor-restricted endowment funds that is not classified in permanently restricted net assets is classified as dictated by the donor or, in absence of donor stipulation, as temporarily restricted net assets until those amounts are appropriated for expenditure by the Hospital in a manner consistent with the standard of prudence prescribed by the Colorado Uniform Prudent Management of Institutional Funds Act.

The Hospital has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of endowment assets.

The Finance Committee of the Foundation is responsible for selecting the asset mix and managers for the endowments of the Foundation. The target asset allocation is 65% in equities with the remaining balance in fixed income instruments.

The Board of Directors approves distributions from the funds designated by the Board of Directors to function as endowments through the annual budget process. Expenditures from the donor-restricted endowment funds are controlled by the Hospital's Board of Directors consistent with the donors' intents.

During 2013, the Board of Directors approved the release of \$271,021 of Board-designated endowment funds.

During 2012, the donor of a \$50,000 permanently restricted endowment modified the restriction to a temporarily restricted purpose. Accordingly, the \$50,000 contribution was released from permanently restricted endowments and transferred into temporarily restricted net assets. Also during 2012, the Board of Directors approved the release of \$4,925,000 of Board-designated endowment funds. These funds were transferred for the purpose of paying for future expansion at the Hospital.

Endowment net asset composition by type of fund as of September 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 495,898	\$ 2,484,167	\$ 2,980,065
Total funds	<u>\$ -</u>	<u>\$ 495,898</u>	<u>\$ 2,484,167</u>	<u>\$ 2,980,065</u>

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 13 - Investments in Endowments (continued)

Endowment net asset composition by type of fund as of September 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 277,160	\$ 1,062,803	\$ 1,339,963
Board-designated endowment funds	<u>271,021</u>	<u>-</u>	<u>-</u>	<u>271,021</u>
Total funds	<u>\$ 271,021</u>	<u>\$ 277,160</u>	<u>\$ 1,062,803</u>	<u>\$ 1,610,984</u>

Changes in endowment net assets for the fiscal year ended September 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment assets, beginning of year	\$ 271,021	\$ 277,160	\$ 1,062,803	\$ 1,610,984
Investment income and gains	-	249,411	-	249,411
Contributions	-	-	1,421,364	1,421,364
Distributions	-	(31,898)	-	(31,898)
Transfers	<u>(271,021)</u>	<u>1,225</u>	<u>-</u>	<u>(269,796)</u>
Endowment assets, end of year	<u>\$ -</u>	<u>\$ 495,898</u>	<u>\$ 2,484,167</u>	<u>\$ 2,980,065</u>

Changes in endowment net assets for the fiscal year ended September 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment assets, beginning of year	\$ 4,523,192	\$ 35,348	\$ 1,101,523	\$ 5,660,063
Investment income and gains	670,169	249,200	-	919,369
Contributions	2,660	-	11,280	13,940
Distributions	-	(7,388)	-	(7,388)
Transfers	<u>(4,925,000)</u>	<u>-</u>	<u>(50,000)</u>	<u>(4,975,000)</u>
Endowment assets, end of year	<u>\$ 271,021</u>	<u>\$ 277,160</u>	<u>\$ 1,062,803</u>	<u>\$ 1,610,984</u>

SUPPLEMENTARY INFORMATION

CRAIG HOSPITAL AND AFFILIATES

Consolidating Balance Sheet September 30, 2013

	<u>Hospital</u>	<u>Foundation</u>	<u>RDS</u>	<u>Eliminations</u>	<u>Consolidated</u>
Assets					
Current assets					
Cash and cash equivalents	\$ 4,454,131	\$ 706,485	\$ -	\$ -	\$ 5,160,616
Short-term investments	20,693,892	5,761,423	-	-	26,455,315
Assets limited as to use required for current liabilities	2,129,569	-	-	-	2,129,569
Investment in Foundation	26,159,752	-	-	(26,159,752)	-
Investment in RDS	124,502	-	-	(124,502)	-
Receivables					
Patients, net	19,437,620	-	-	-	19,437,620
Grants receivable and other	620,993	-	1,484	-	622,477
Affiliates	70,041	-	141,768	(211,809)	-
Inventories	512,109	-	-	-	512,109
Prepaid expenses and other assets	<u>1,026,591</u>	<u>38,764</u>	<u>-</u>	<u>-</u>	<u>1,065,355</u>
Total current assets	<u>75,229,200</u>	<u>6,506,672</u>	<u>143,252</u>	<u>(26,496,063)</u>	<u>55,383,061</u>
Assets limited as to use					
Board-designated investments	67,403,905	5,738,345	-	-	73,142,250
SERP fund	<u>921,898</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>921,898</u>
Total assets limited as to use	<u>68,325,803</u>	<u>5,738,345</u>	<u>-</u>	<u>-</u>	<u>74,064,148</u>
Land, buildings, and equipment, net	63,215,339	-	-	-	63,215,339
Contributions receivable, net	-	14,104,461	-	-	14,104,461
Deferred debt issuance costs, net	<u>537,789</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>537,789</u>
Total assets	<u>\$ 207,308,131</u>	<u>\$ 26,349,478</u>	<u>\$ 143,252</u>	<u>\$ (26,496,063)</u>	<u>\$ 207,304,798</u>
Liabilities and Net Assets					
Current liabilities					
Accounts payable and accrued expenses	\$ 6,809,029	\$ 119,685	\$ 18,750	\$ -	\$ 6,947,464
Payroll and payroll-related expenses	4,040,283	-	-	-	4,040,283
Compensated absences	1,788,426	-	-	-	1,788,426
Current portion of long-term debt	625,000	-	-	-	625,000
Due to affiliates	<u>141,768</u>	<u>70,041</u>	<u>-</u>	<u>(211,809)</u>	<u>-</u>
Total current liabilities	<u>13,404,506</u>	<u>189,726</u>	<u>18,750</u>	<u>(211,809)</u>	<u>13,401,173</u>
Long-term debt, net of current portion	39,377,292	-	-	-	39,377,292
SERP obligation	1,161,898	-	-	-	1,161,898
Post-retirement benefit obligation	<u>176,009</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,009</u>
Total liabilities	<u>54,119,705</u>	<u>189,726</u>	<u>18,750</u>	<u>(211,809)</u>	<u>54,116,372</u>
Commitments and contingencies					
Net assets					
Unrestricted	133,345,620	6,316,946	124,502	(6,441,448)	133,345,620
Temporarily restricted	17,358,639	17,358,639	-	(17,358,639)	17,358,639
Permanently restricted	<u>2,484,167</u>	<u>2,484,167</u>	<u>-</u>	<u>(2,484,167)</u>	<u>2,484,167</u>
Total net assets	<u>153,188,426</u>	<u>26,159,752</u>	<u>124,502</u>	<u>(26,284,254)</u>	<u>153,188,426</u>
Total liabilities and net assets	<u>\$ 207,308,131</u>	<u>\$ 26,349,478</u>	<u>\$ 143,252</u>	<u>\$ (26,496,063)</u>	<u>\$ 207,304,798</u>

CRAIG HOSPITAL AND AFFILIATES

**Consolidating Statement of Operations - All Funds
For the Year Ended September 30, 2013**

	Hospital				Foundation				
	Unrestricted	Temporarily Restricted	Permanently Restricted	RDS	Unrestricted	Temporarily Restricted	Permanently Restricted	Eliminations	Consolidated
Revenues and other support									
Net patient service revenues	\$ 75,609,728	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,609,728
Other operating revenues and grants	3,085,490	9,935,976	1,421,364	69,891	-	-	-	(8,874,692)	5,638,029
Net assets released from restrictions	<u>2,884,031</u>	<u>(2,884,031)</u>	<u>-</u>	<u>-</u>	<u>1,346,027</u>	<u>(1,346,027)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other support	<u>81,579,249</u>	<u>7,051,945</u>	<u>1,421,364</u>	<u>69,891</u>	<u>1,346,027</u>	<u>(1,346,027)</u>	<u>-</u>	<u>(8,874,692)</u>	<u>81,247,757</u>
Operating expenses									
Wages, salaries, and benefits	45,623,822	-	-	58,923	882,628	-	-	-	46,565,373
Purchased services	12,015,240	-	-	-	-	-	-	-	12,015,240
Supplies and other	8,942,383	-	-	1,200	366,972	-	-	-	9,310,555
Research	2,884,031	-	-	-	-	-	-	-	2,884,031
Depreciation and amortization	4,795,371	-	-	-	-	-	-	-	4,795,371
Interest	20,394	-	-	-	-	-	-	-	20,394
Insurance, legal, and other professional services	1,164,277	-	-	2,426	17,573	-	-	-	1,184,276
Provision for bad debts	11,633	-	-	-	141,632	-	-	-	153,265
Hospital expansion and improvement project	-	-	-	-	10,043,229	-	-	(10,043,229)	-
Other programs and costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,991,616</u>	<u>-</u>	<u>-</u>	<u>(111,836)</u>	<u>1,879,780</u>
Total operating expenses	<u>75,457,151</u>	<u>-</u>	<u>-</u>	<u>62,549</u>	<u>13,443,650</u>	<u>-</u>	<u>-</u>	<u>(10,155,065)</u>	<u>78,808,285</u>
Operating income (loss)	<u>6,122,098</u>	<u>7,051,945</u>	<u>1,421,364</u>	<u>7,342</u>	<u>(12,097,623)</u>	<u>(1,346,027)</u>	<u>-</u>	<u>1,280,373</u>	<u>2,439,472</u>
Other income									
Investment income and other	1,401,882	-	-	-	77,344	16,271	-	-	1,495,497
Contributions	<u>111,836</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,830,917</u>	<u>18,817,526</u>	<u>1,421,364</u>	<u>(111,836)</u>	<u>22,069,807</u>
Total other income	<u>1,513,718</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,908,261</u>	<u>18,833,797</u>	<u>1,421,364</u>	<u>(111,836)</u>	<u>23,565,304</u>
Excess (deficiency) of revenues over (under) expenses	<u>7,635,816</u>	<u>7,051,945</u>	<u>1,421,364</u>	<u>7,342</u>	<u>(10,189,362)</u>	<u>17,487,770</u>	<u>1,421,364</u>	<u>1,168,537</u>	<u>26,004,776</u>
Change in unrealized (losses) gains on investments	(409,646)	-	-	-	(48,182)	195,760	-	-	(262,068)
Affiliate contributions for long-term asset acquisitions	10,043,229	-	-	-	-	-	-	(10,043,229)	-
Net assets released for long-term asset acquisitions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,631,585</u>	<u>(10,631,585)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>9,633,583</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,583,403</u>	<u>(10,435,825)</u>	<u>-</u>	<u>(10,043,229)</u>	<u>(262,068)</u>
Change in net assets	<u>\$ 17,269,399</u>	<u>\$ 7,051,945</u>	<u>\$ 1,421,364</u>	<u>\$ 7,342</u>	<u>\$ 394,041</u>	<u>\$ 7,051,945</u>	<u>\$ 1,421,364</u>	<u>\$ (8,874,692)</u>	<u>\$ 25,742,708</u>

CRAIG HOSPITAL AND AFFILIATES

**Consolidating Statement of Changes in Net Assets - All Funds
For the Year Ended September 30, 2013**

	Hospital				Foundation				
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>RDS</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Eliminations</u>	<u>Consolidated</u>
Net assets									
Excess (deficiency) of revenues over (under) expenses	\$ 7,635,816	\$ 7,051,945	\$ 1,421,364	\$ 7,342	\$ (10,189,362)	\$ 17,487,770	\$ 1,421,364	\$ 1,168,537	\$ 26,004,776
Change in unrealized gains on investments	(409,646)	-	-	-	(48,182)	195,760	-	-	(262,068)
Affiliate contributions for long-term asset acquisitions	10,043,229	-	-	-	-	-	-	(10,043,229)	-
Net assets released for long-term asset acquisitions	-	-	-	-	10,631,585	(10,631,585)	-	-	-
Change in net assets	17,269,399	7,051,945	1,421,364	7,342	394,041	7,051,945	1,421,364	(8,874,692)	25,742,708
Net assets, beginning of year	<u>116,076,221</u>	<u>10,306,694</u>	<u>1,062,803</u>	<u>117,160</u>	<u>5,922,905</u>	<u>10,306,694</u>	<u>1,062,803</u>	<u>(17,409,562)</u>	<u>127,445,718</u>
Net assets, end of year	<u>\$ 133,345,620</u>	<u>\$ 17,358,639</u>	<u>\$ 2,484,167</u>	<u>\$ 124,502</u>	<u>\$ 6,316,946</u>	<u>\$ 17,358,639</u>	<u>\$ 2,484,167</u>	<u>\$ (26,284,254)</u>	<u>\$ 153,188,426</u>