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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 private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public By law, the IRS generally cannot redact the information on the form

▶ Information about Form 990 and its instructions is at www.IRS.gov/form990

OMB No 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 01-01-2013 , 2013, and ending 12-31-2013

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

C Name of organization
BMH INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
98 POPLAR STREET

City or town, state or province, country, and ZIP or foreign postal code
BLACKFOOT, ID 832211799

D Employer identification number
20-5126945

E Telephone number
(208) 785-4100

G Gross receipts $ 93,854,242

F Name and address of principal officer
LOUIS KRAML
98 POPLAR STREET
BLACKFOOT,ID 832211799

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW BINGHAMMEMORIAL ORG

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

L Year of formation 2006

M State of legal domicile ID

Part I Summary

1 Briefly describe the organization's mission or most significant activities
BINGHAM MEMORIAL HOSPITAL IS COMMITTED TO THE PURSUIT OF EXCELLENCE IN ITS ENDEAVOR TO PROVIDE A CONTINUUM OF QUALITY, COMPASSIONATE HEALTHCARE SERVICES FOR OUR RESIDENTS AND FOR VISITORS TO BINGHAM COUNTY, IN THE MOST EFFECTIVE AND COST EFFECTIVE MANNER POSSIBLE

2 Check this box ▶☐ 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**	8
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	7
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	838
6	Total number of volunteers (estimate if necessary)	**6**	48
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	1,022,444
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-73,854

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	472,564	137,773
9	Program service revenue (Part VIII, line 2g)	81,972,492	83,612,303
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,106,858	840,716
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,806,145	3,498,108
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	86,358,059	88,088,900
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	93,868	168,743
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)	40,123,479	43,680,601
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	41,044,272	43,348,145
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	81,261,619	87,197,489
19	Revenue less expenses Subtract line 18 from line 12	5,096,440	891,411
Net Assets or Fund Balances		**Beginning of Current Year**	**End of Year**
20	Total assets (Part X, line 16)	60,509,854	61,162,783
21	Total liabilities (Part X, line 26)	29,950,653	28,234,387
22	Net assets or fund balances Subtract line 21 from line 20	30,559,201	32,928,396

Part II Signature Block

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

Sign Here

****** | 2014-11-12
Signature of officer | Date

D JEFFERY DANIELS CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
ROBERT GRANNUM				P00355876

Firm's name ▶ MOSS ADAMS LLP | Firm's EIN ▶ 91-0189318

Firm's address ▶ 2707 COLBY AVENUE SUITE 801
EVERETT, WA 982013510 | Phone no (425) 259-7227

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 or note to any line in this Part III . . . . . ☐

1 Briefly describe the organization's mission

BINGHAM MEMORIAL HOSPITAL IS COMMITTED TO THE PURSUIT OF EXCELLENCE IN ITS ENDEAVOR TO PROVIDE A CONTINUUM OF QUALITY, COMPASSIONATE HEALTHCARE SERVICES FOR OUR RESIDENTS AND FOR VISITORS TO BINGHAM COUNTY, IN THE MOST EFFECTIVE AND COST EFFECTIVE MANNER POSSIBLE

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 $ 47,778,314 including grants of $ 168,743) (Revenue $ 57,587,812)

ACUTE CARE HOSPITAL - THE HOSPITAL PROVIDED SERVICE TO 2,151 INPATIENTS, INCLUDING 7,027 TOTAL SURGERIES (INPATIENT AND OUTPATIENT), 348 NEWBORN INFANTS, AND 9,579 EMERGENCY ROOM PATIENTS THE HOSPITAL HAS A FULL SERVICE RADIOLOGY, PHYSICAL THERAPY, RESPIRATORY THERAPY, PHARMACY AND LABORATORY TO SUPPORT THE NEEDS OF THE HOSPITAL'S INPATIENTS AND OUTPATIENTS

4b (Code) (Expenses $ 19,007,916 including grants of $) (Revenue $ 22,359,490)

CLINIC SERVICES - THE HOSPITAL EMPLOYS AND CONTRACTS WITH PHYSICIANS TO PROVIDE MEDICAL CARE TO INDIVIDUALS IN THE COMMUNITY AND SERVICE AREA DURING THE YEAR, THESE PHYSICIANS PROVIDED 76,235 SEPARATE SERVICE ENCOUNTERS FOR INDIVIDUAL PATIENTS

4c (Code) (Expenses $ 3,573,161 including grants of $) (Revenue $ 4,793,939)

NURSING HOME - THE NURSING HOME AVERAGED 45 5 RESIDENTS PER DAY RECEIVING INPATIENT SERVICES (EITHER SHORT-TERM OR LONG-TERM SKILLED CARE) DURING THE YEAR

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ 70,359,391

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *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 other assistance to or for foreign individuals? *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 or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
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**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V . . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	161		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	838		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

Check if Schedule O contains a response or note to any line in this Part VI . . . . . ☑

Section A. Governing Body and Management

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

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

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

Section C. Disclosure

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

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

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

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

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

▶ D JEFFERY DANIELS 98 POPLAR
BLACKFOOT,ID 83221 (208)785-3803

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

Check if Schedule O contains a response or note to any line 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) ALICE CANNON CHAIRMAN	10 00	X		X				0	0	33
(2) DR CLARK ALLEN VICE-CHAIRMAN	10 00	X		X				0	0	54
(3) JOSEPH CANNON SECRETARY	6 00	X		X				0	0	32
(4) WALLACE DRISCOLL TREASURER	10 00	X		X				0	0	132
(5) LEE KNIFFIN DIRECTOR	6 00	X						0	0	27
(6) HOWARD HARRINGTON DIRECTOR	6 00	X						0	0	45
(7) GORDON ARAVE DIRECTOR	6 00	X						0	0	23
(8) DR TOM CALL CHIEF MEDICAL STAFF	6 00	X						0	0	20
(9) LOUIS KRAML CEO	70 00			X				458,458	0	117,424
(10) JEFF DANIELS CFO	70 00			X				393,821	0	29,296
(11) DAN COCHRAN COO	70 00			X				327,042	0	68,649
(12) CAROLYN HANSEN CNO	70 00			X				128,640	0	462
(13) DR ADAM WRAY PHYSICIAN	40 00					X		817,422	0	30,698
(14) DR DAVID SHELLEY PHYSICIAN	40 00					X		678,043	0	14,703
(15) DR BALDWIN STUTTS PHYSICIAN	40 00					X		997,237	0	20,643
(16) DR DAVID PETERSON PHYSICIAN	40 00					X		612,423	0	20,643
(17) DR HUGH SELZNICK PHYSICIAN	40 00					X		493,608	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			
1b **Sub-Total** ▶										
c **Total from continuation sheets to Part VII, Section A** ▶										
d **Total (add lines 1b and 1c)** ▶								4,906,694	0	302,884

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 ▶ 56

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
IDAHO PATHOLOGY LABORATORY LLC 98 POPLAR STREET BLACKFOOT ID 83221	PATHOLOGICAL LABORATORY SERVICES	2,836,445
MSVM GROUP LLC PO BOX 4864 POCATELLO ID 83204	MARKETING	497,111
HOLLAND & HART PO BOX 17283 DENVER CO 80217	LITIGATION SERVICES	421,327
COLTRIN & ASSOCIATES INC 801 FLORAL VALE BLVD MORRISVILLE PA 19067	MARKETING	397,516
MCDERMOTT WILL & EMERY LLP PO BOX 6043 CHICAGO IL 60680	LITIGATION SERVICES	353,633

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 ▶ 13

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII . . . . . ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations . . .	1d				
	e	Government grants (contributions)	1e	117,582			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	20,191			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		137,773			
Program Service Revenue			Business Code				
	2a	PATIENT REVENUE	621110	176,097,513	176,097,513		
	b	PROFESSIONAL FEES REVENUE	621110	7,726,915	7,726,915		
	c	FACILITY FEES REVENUE	621110	639,335	639,335		
	d	ANCILLARY CARE SERIVCES	621500	3,712	3,712		
	e	CONTRACTUAL ALLOWANCE & CHARITY C	621110	-100,855,172	-100,855,172		
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		83,612,303			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		307,319			307,319
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					
			(i) Real	(ii) Personal			
	6a	Gross rents	145,938	172,764			
	b	Less rental expenses	145,938	172,764			
	c	Rental income or (loss)	0	0			
	d	Net rental income or (loss) . . . . . ▶					
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	5,788,656				
	b	Less cost or other basis and sales expenses	5,255,259				
	c	Gain or (loss)	533,397				
	d	Net gain or (loss) . . . . . ▶			533,397			533,397
	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	483,203					
	b	Less cost of goods sold . . b	191,381					
	c	Net income or (loss) from sales of inventory . . ▶			291,822			291,822
Other Revenue		Miscellaneous Revenue	Business Code					
	11a	K-1 ACTIVITY	900099		1,128,938	1,128,938		
	b	MANAGEMENT SERVICE CONTRACT-DHHS	561000		1,022,444		1,022,444	
	c	DHHS DISTRIBUTION	900099		600,000			600,000
	d	All other revenue			454,904			454,904
	e	**Total.** Add lines 11a–11d . . . . . ▶			3,206,286			
	12	**Total revenue.** See Instructions . . . . . ▶			88,088,900	84,741,241	1,022,444	2,187,442

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 or note to any line 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	165,493	165,493		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	3,250	3,250		
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	1,524,158	129,101	1,395,057	
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	34,817,740	30,270,884	4,546,856	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	181,739	181,739		
9 Other employee benefits	5,033,952	4,077,669	956,283	
10 Payroll taxes	2,123,012	1,786,482	336,530	
11 Fees for services (non-employees)				
a Management	7,460,953	5,804,642	1,656,311	
b Legal	674,979		674,979	
c Accounting	117,023		117,023	
d Lobbying	80,000	80,000		
e Professional fundraising services See Part IV, line 17				
f Investment management fees	41,344		41,344	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	1,798,539	1,792,684	5,855	
12 Advertising and promotion	1,990,329		1,990,329	
13 Office expenses	893,520		893,520	
14 Information technology	971,245		971,245	
15 Royalties . .				
16 Occupancy	2,708,956	1,654,457	1,054,499	
17 Travel	333,845	105,092	228,753	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	169,304	132,607	36,697	
20 Interest	661,957		661,957	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	3,319,822	3,319,822		
23 Insurance	517,034	517,034		
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 EXPENSES	14,083,182	14,083,182		
b BAD DEBT EXPENSE	4,095,623	4,095,623		
c OTHER SUPPLIES	1,974,364	1,791,370	182,994	
d STATE ASSESSMENT	347,738		347,738	
e All other expenses	1,108,388	368,260	740,128	
25 **Total functional expenses.** Add lines 1 through 24e	87,197,489	70,359,391	16,838,098	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X . . . . . ☐

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		1,385,326	1	147,686
	2	Savings and temporary cash investments		25,000	2	25,000
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		13,764,451	4	13,580,132
	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		5,626,808	7	4,921,516
	8	Inventories for sale or use		3,177,964	8	3,352,844
	9	Prepaid expenses and deferred charges		1,176,346	9	1,081,517
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 52,840,052			
	b	Less accumulated depreciation	10b 34,464,966	20,274,255	10c	18,375,086
	11	Investments—publicly traded securities		14,158,315	11	17,857,553
	12	Investments—other securities See Part IV, line 11		185,134	12	504,759
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets		36,255	14	16,690
	15	Other assets See Part IV, line 11		700,000	15	1,300,000
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		60,509,854	16	61,162,783
Liabilities	17	Accounts payable and accrued expenses		12,425,180	17	12,846,403
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	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		11,177,787	23	9,914,152
	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		6,347,686	25	5,473,832
	26	**Total liabilities.** Add lines 17 through 25		29,950,653	26	28,234,387
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		30,559,201	27	32,928,396
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		30,559,201	33	32,928,396
	34	Total liabilities and net assets/fund balances		60,509,854	34	61,162,783

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI . . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12)	1	88,088,900
2	Total expenses (must equal Part IX, column (A), line 25)	2	87,197,489
3	Revenue less expenses Subtract line 2 from line 1	3	891,411
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	30,559,201
5	Net unrealized gains (losses) on investments	5	1,101,001
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	376,783
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	32,928,396

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII . . . . . ☑

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**
▶ **Information about Schedule A (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BMH INC

Employer identification number
20-5126945

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 2013 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2012 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2013.** 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—2012.** 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—2013.** 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—2012.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 2013 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2013** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2012** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2013.** 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—2012.** 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.** 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		
Return Reference	Explanation	

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.
▶ See separate instructions. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
BMH INC	20-5126945

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period — Calendar year (or fiscal year beginning in)	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

	For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		83,340
j	Total Add lines 1c through 1i			83,340
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Return Reference	Explanation
PART II-B, LINE 1	A SMALL PORTION OF THE ORGANIZATION'S IDAHO HOSPITAL ASSOCIATION AND AMERICAN HOSPITAL ASSOCIATION DUES ARE ALLOCATED TO LOBBYING ACTIVITIES BASED ON STUDIES CONDUCTED BY THE RESPECTIVE ASSOCIATIONS THE PORTION OF IDAHO HOSPITAL ASSOCIATION AND AMERICAN HOSPITAL ASSOCIATION DUES RELATED TO LOBBYING WAS $866 AND $2,474 RESPECTIVELY THE ORGANIZATION ALSO SUPPORTS LOBBYING SERVICES SPECIFICALLY FOR CRITICAL ACCESS HOSPITAL DESIGNATION IN THE AMOUNT OF $80,000

Part IV Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions. ▶ Information about Schedule D (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BMH INC

Employer identification number
20-5126945

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- c Temporarily restricted endowment ▶

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

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

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

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

Part VI Land, Buildings, and Equipment. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. 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		1,226,209		1,226,209
b Buildings		22,237,238	16,745,544	5,491,694
c Leasehold improvements		1,871,762	757,025	1,114,737
d Equipment		25,909,381	16,962,397	8,946,984
e Other		1,595,462		1,595,462
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				18,375,086

Part VII **Investments—Other Securities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII **Investments—Program Related.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

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

Part IX **Other Assets.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11d See Form 990, Part X, line 15

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

Part X **Other Liabilities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	
ESTIMATED THIRD PARTY PAYOR SETTLEMENTS	2,852,008
OBLIGATION UNDER CAPITAL LEASE	1,035,624
OBLIGATION UNDER PENSION PLAN	1,586,200
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	5,473,832

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

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

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

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return. Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

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

Part XIII Supplemental Information

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

Return Reference	Explanation
PART X, LINE 2	THE ORGANIZATION IS A NOT-FOR-PROFIT CORPORATION AND HAS BEEN RECOGNIZED AS TAX EXEMPT PURSUANT TO SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE (IRC) THE ORGANIZATION IS EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 501(C)(3) OF THE IRC EXCEPT TO THE EXTENT OF UNRELATED BUSINESS TAXABLE INCOME AS DEFINED UNDER IRC SECTIONS 511 THROUGH 515 THE ORGANIZATION HAS ADOPTED ACCOUNTING FOR UNCERTAIN TAX POSITIONS THE ACCOUNTING STANDARD PRESCRIBES A RECOGNITION THRESHOLD AND MEASUREMENT PROCESS FOR UNCERTAIN TAX POSITIONS THE ORGANIZATION HAD NO UNCERTAIN TAX POSITIONS AS OF DECEMBER 31, 2013 OR 2012

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule H (Form 990) and its instructions is at *www.irs.gov/form990.*

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BMH INC

Employer identification number
20-5126945

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)	3		1,090,327		1,090,327	1 250 %
b Medicaid (from Worksheet 3, column a)	3		8,802,424	8,654,898	147,526	0 170 %
c Costs of other means-tested government programs (from Worksheet 3, column b)	1		187,339		187,339	0 210 %
d **Total** Financial Assistance and Means-Tested Government Programs	7		10,080,090	8,654,898	1,425,192	1 630 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	584	31,351	310,990	26,747	284,243	0 330 %
f Health professions education (from Worksheet 5)			1,179,921	39,861	1,140,060	1 310 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)			240,756	985	239,771	0 270 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			514,586		514,586	0 590 %
j **Total.** Other Benefits	584	31,351	2,246,253	67,593	2,178,660	2 500 %
k **Total.** Add lines 7d and 7j	591	31,351	12,326,343	8,722,491	3,603,852	4 130 %

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount 2 4,095,623			
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 1,023,906			
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	22,052,749	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	23,416,981	
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-1,364,232	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used			

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

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

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1 1 PIETRA LLC	ENDOSCOPY SERVICES	60 000 %		40 000 %
2 2 BMH PHYSICIANS CLINIC LLC	RENTAL REAL ESTATE	58 720 %		41 280 %
3 3 IDAHO PATHOLOGY LAB LLC	PATHOLOGY SERVICES	55 000 %		45 000 %
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, primary website address, and state license number	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
	See Additional Data Table										

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group BINGHAM MEMORIAL HOSPITAL

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests 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?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW BINGHAMMEMORIAL ORG			
b	☐ Other website (list url)			
c	☑ Available upon request from the hospital facility			
d	☐ 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 as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☐ Prioritization of health needs in its community			
h	☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**	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 *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 150 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 200 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☐ Medical indigency			
d ☐ Insurance status			
e ☑ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
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 individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

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 individuals regarding the individuals' bills
- **d** ☐ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Section C)

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
BINGHAM MEMORIAL HOSPITAL	PART V, SECTION B, LINE 3 RESEARCHERS COLLECTED INPUT FROM COMMUNITY STAKEHOLDERS, HEALTHCARE WORKERS, AND HOSPITAL ADMINISTRATORS
BINGHAM MEMORIAL HOSPITAL	PART V, SECTION B, LINE 14G ABRIDGED BROCHURE WITH POLICY HIGHLIGHTS AVAILABLE IN ER, ADMISSIONS, AND PATIENT FINANCIAL SERVICES
BINGHAM MEMORIAL HOSPITAL	PART V, SECTION B, LINE 20D ALL ADDITIONAL DISCOUNTS ARE CALCULATED AND DETERMINED BASED ON THE INDIVIDUAL PATIENT'S FINANCIAL CAPACITY

Part V Facility Information *(continued)*

Section D. 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? 9

	Name and address	Type of Facility (describe)
1	BINGHAM MEMORIAL SKILLED NURSING & REHAB 98 POPLAR BLACKFOOT,ID 83221	SKILLED NURSING FACILITY
2	BMH PHYSICIANS 98 POPLAR BLACKFOOT,ID 83221	PHYSICIAN OFFICES
3	PHYSICIANS & SURGEONS CLINIC OF POCATELL 1151 HOSPITAL WAY POCATELLO,ID 83201	PHYSICIAN OFFICES
4	FIRST CHOICE URGENT CARE 1350 PARKWAY DR BLACKFOOT,ID 83221	PHYSICIAN OFFICES
5	TORO FAMILY MEDICINE 315 W IDAHO ST BLACKFOOT,ID 83221	PHYSICIAN OFFICES
6	PHYSICIANS & SURGEONS CLINIC OF SHELLEY 275 W LOCUST SHELLEY,ID 83274	PHYSICIAN OFFICES
7	BINGHAM MEMORIAL HOSPITAL SLEEP LAB 53 POPLAR STREET BLACKFOOT,ID 83274	HOSPITAL OFFICES
8	BINGHAM MEMORIAL HOSPITAL BUSINESS OFFIC 1600 HIGHLAND BLACKFOOT,ID 83221	HOSPITAL OFFICES
9	AEGIS HEALTH SYSTEMS 145 W IDAHO ST BLACKFOOT,ID 83221	HOSPITAL OFFICES
10		

Part VI Supplemental Information

Provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs 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

Form and Line Reference	Explanation
PART III, LINE 4	SEE PAGE 8 OF THE ATTACHED FINANCIAL STATEMENTS FOR THE ORGANIZATION'S BAD DEBT EXPENSE DESCRIPTION RECEIVABLES ARISING FROM PATIENT SERVICE REVENUES ARE REDUCED BY AN ALLOWANCE FOR DOUBTFUL ACCOUNTS AND CONTRACTUAL ADJUSTMENTS, BASED ON EXPERIENCE, THIRD-PARTY CONTRACTUAL ARRANGEMENTS, AND ANY UNUSUAL CIRCUMSTANCES THAT MAY AFFECT THE ABILITY OF PATIENTS TO MEET THEIR OBLIGATIONS ACCOUNTS DEEMED UNCOLLECTIBLE ARE CHARGED AGAINST THIS ALLOWANCE COSTS SHOWN IN LINES 2 AND 3 OF THIS PART ARE BASED ON A COST TO CHARGE RATIO PATIENTS ARE NOTIFIED OF THE FINANCIAL ASSISTANCE PROGRAM VIA APPOINTMENTS WITH PATIENT FINANCIAL COUNSELORS, CALLS WITH PATIENT FINANCIAL ADVOCATES AND BROCHURES AVAILABLE IN THE ADMISSION AND BUSINESS OFFICE AREAS OF THE HOSPITAL EVEN THOUGH THERE ARE MULTIPLE AVENUES USED TO EDUCATE AND ASSIST PATIENTS IN APPLYING FOR THE FINANCIAL ASSISTANCE PROGRAM, SOME PATIENTS ARE RELUCTANT TO SPEND THE TIME GOING THROUGH THE QUALIFICATION PROCESS THERE ARE ALSO THOSE PATIENTS THAT APPLY FOR THE PROGRAM BUT FAIL TO PROVIDE THE NECESSARY PAPERWORK TO SUPPORT THE APPLICATION THIS PREVENTS ACCURATELY IDENTIFYING THEIR FINANCIAL NEEDS MANY PATIENTS IN THE AREA HAVE A STEADY INCOME PROVIDED TO THEM BY THE GOVERNMENT AND HAVE NO NEED FOR A HEALTHY CREDIT SCORE THERE ARE ALSO PATIENTS THAT ARE WELL ABOVE THE FINANCIAL GUIDELINES FOR FINANCIAL ASSISTANCE THAT ALLOW THEIR ACCOUNTS TO GO TO A BAD DEBT AGENCY IN ADDITION, THERE ARE THOSE PATIENTS THAT DO NOT PLACE A HIGH IMPORTANCE ON PAYING MEDICAL BILLS AND BELIEVE THAT CREDITORS DO NOT FAULT THEM FOR HAVING MEDICAL BAD DEBT FOR THE ABOVE REASONS, IT IS ESTIMATED THAT THE PERCENTAGE OF THE BAD DEBT EXPENSE THAT WOULD QUALIFY AS CHARITY UNDER OUR FINANCIAL ASSISTANCE PROGRAM IS 25%
PART III, LINE 8	THE SHORTFALL IN MEDICARE UNREIMBURSED COST SHOULD BE INCLUDED AS COMMUNITY BENEFIT AS SERVICES ARE RENDERED TO ALL INDIVIDUALS REGARDLESS OF ABILITY TO PAY AND/OR THE REIMBURSEMENT EXPECTED TO BE RECEIVED FROM MEDICARE, MEDICAID OR OTHER PAYERS THE COSTS ARE BASED ON A COST TO CHARGE RATIO BINGHAM MEMORIAL IS DESIGNATED A CRITICAL ACCESS HOSPITAL AS SUCH, A PORTION OF ITS MEDICARE CHARGES IS PAID UNDER A COST BASED REIMBURSEMENT SYSTEM ONLY THAT PORTION OF THE TOTAL MEDICARE REVENUE EARNED AND THE ASSOCIATED ALLOWABLE COSTS INCURRED BY THE ORGANIZATION IS REPORTED ON ITS MEDICARE COST REPORT PER THE SCHEDULE H INSTRUCTIONS THE AMOUNTS REPORTED IN PART III LINES 5-7 ARE FROM OUR MEDICARE COST REPORT THE RESULTANT SHORTFALL ON LINE 7 IS $1,364,232 THERE IS SIGNIFICANT DIFFERENCE, HOWEVER, BETWEEN OUR TOTAL MEDICARE PROGRAM SERVICES AND THE SUBSET OF THE TOTAL WHICH IS ACCOUNTED FOR ON THE COST REPORT IN ORDER TO CLEARLY AND FULLY DESCRIBE THESE SERVICES, MANAGEMENT HAS MADE INTERNAL CALCULATIONS WHICH TAKE INTO CONSIDERATION OUR MEDICARE SERVICES IN ITS ENTIRETY BINGHAM MEMORIAL OPERATES 8 CLINICS (BOTH PRIMARY CARE AND SPECIALTY) BINGHAM HAS RECRUITED AND EMPLOYS 32 PHYSICIANS AND 12 MID LEVEL PROFESSIONALS PROVIDING VITAL CARE FOR OUR COMMUNITY'S CITIZENS MUCH OF THESE SERVICES ARE REIMBURSED USING FEE SCHEDULE RATES THAT ARE (IN THE AGGREGATE) BELOW THE COST OF PROVIDING THAT CARE IN ORDER TO SUPPORT THE DELIVERY OF THESE HEALTH SERVICES, THE HOSPITAL INCURS OTHER ASSOCIATED COSTS, LIKE DIRECT SUPPORT STAFF, INFRASTRUCTURE, SUPPORTING DEPARTMENTS (ACCOUNTING, PATIENT FINANCIAL SERVICES, INFORMATION TECHNOLOGY, HUMAN RESOURCES, ETC) AND EXECUTIVE LEADERSHIP USING METHODOLOGY CONSISTENT WITH THE MEDICARE COST REPORT, THE REVENUE FOR SERVICES PROVIDED BUT NOT INCLUDED ON LINE 5 IS CALCULATED TO BE $6,214,092 APPLYING THE COST TO CHARGE RATIO (PER THE COST REPORT) YIELDS ADDITIONAL MEDICARE ALLOWABLE COSTS ASSOCIATED WITH THAT REVENUE OF $6,598,509 IN TOTAL, THE ORGANIZATION'S MEDICARE NET REVENUE IS $28,266,841, WHILE ITS COST IS $30,015,490 THE SHORTFALL (ADJUSTED FOR NON-ALLOWABLE BUT NECESSARY AND RELATED COSTS OF $283,406) IS $2,032,055 IF NOT FOR TAX EXEMPT AND CRITICAL ACCESS HOSPITALS SUCH AS BINGHAM MEMORIAL ABSORBING THE DEFICIT ATTACHED TO PROVIDING THESE VITAL SERVICES TO MEDICARE RECIPIENTS, THE CENTERS FOR MEDICARE AND MEDICAID SERVICES WOULD BEAR THE FINANCIAL BURDEN OF THESE CITIZENS' CARE

Form and Line Reference	Explanation
PART III, LINE 9B	ONCE A PATIENT APPLIES, WE HOLD ALL COLLECTIONS EFFORTS UNTIL A DETERMINATION IS MADE WE SEND THE PATIENT A LETTER NOTIFYING THEM OF APPROVAL OR DENIAL, IF THEY STILL DON'T PAY ACCORDING TO POLICY WE SEND THEM TO A COLLECTION AGENCY THE APPLICATION IS GOOD FOR 6 MONTHS UNLESS FINANCIAL SITUATION HAS CHANGED
PART VI, LINE 2	BINGHAM MEMORIAL HOSPITAL'S DEPARTMENT OF PUBLIC RELATIONS UTILIZES A COMMUNITY SURVEY TO IDENTIFY THE HEALTHCARE NEEDS OF OUR COMMUNITY SURVEYS ARE MAILED TO APPROXIMATELY 25% OF OUR COUNTY POPULATION ON-SITE SURVEYS ARE ALSO DISTRIBUTED AT HOSPITAL EVENTS SURVEYS ASK WHICH SERVICES AND EDUCATION PROGRAMS COMMUNITY MEMBERS ARE INTERESTED IN THE RESULTS ARE SHARED WITH ADMINISTRATION, AFTER WHICH, COMMUNITY EVENTS AND OUTREACH EFFORTS ARE PLANNED ACCORDINGLY THE HOSPITAL ALSO RECEIVES A VARIETY OF DIRECT REQUESTS FROM COMMUNITY ORGANIZATIONS AND MEMBERS TO PROVIDE SERVICES AND EDUCATION EXAMPLES INCLUDE DISCOUNTED FLU CLINICS, DISCOUNTED LAB TESTING, FREE HEALTH EDUCATION CLASSES AND SEMINARS RELATED TO JOINT PAIN, ARTHRITIS PAIN, WEIGHT LOSS,AND BACK PAIN WE PERFORM FREE PHYSICAL EXAMS FOR STUDENT ATHLETES, PLACE AN ATHLETIC TRAINER FREE OF CHARGE AT HIGH SCHOOL SPORTING EVENTS, AND PROVIDE FREE EXAMS FOR STUDENT ATHLETES HURT AT A SPORTING EVENT

Form and Line Reference	Explanation
PART VI, LINE 3	WE NOTIFY PATIENTS VERBALLY PRIOR TO ADMISSIONS VIA THE FRONT OFFICE, PATIENT FINANCIAL COUNSELOR OR ADMISSION CLERK WHEN THEY PRESENT FOR SERVICES, WE SCREEN FOR INSURANCE COVERAGE AND, IF APPROPRIATE, WE GET THEM AN APPOINTMENT WITH A FINANCIAL COUNSELOR AFTER THE SERVICES, WHEN WE CALL THEM FOR PAYMENTS, WE EXPLAIN THE PROCESS AGAIN TO ANY APPLICABLE PATIENTS IF THEY ARE HAVING TROUBLE MEETING THEIR OBLIGATIONS, OR IF THEY EXPRESS NEED, WE SEND THEM OUT A LETTER EXPLAINING THE PROCESS AGAIN AND PROVIDE AN APPLICATION FOR THEIR COMPLETION
PART VI, LINE 4	BMH, INC SERVES THE 45,000 RESIDENTS OF BINGHAM COUNTY WITH MEDICAL SERVICES LOCATED BETWEEN THE FOURTH AND FIFTH LARGEST CITIES IN IDAHO, BINGHAM COUNTY INCORPORATES JUST OVER 2,000 SQUARE MILES THE COUNTY POPULATION CONSISTS MOSTLY OF YOUNGER FAMILIES WITH CHILDREN WITH A MEDIAN AGE OF 30 THE COUNTY'S POPULATION AGE BREAKDOWN IS AS FOLLOWS 32% AGE 0-18, 10% AGE 18-25, 12% AGE 25-35, 12% AGE 35-45, 11% AGE 45-55, 8% AGE 55-65, AND 15% OVER AGE 65 ADDITIONALLY, BMH SERVES THE FORT HALL INDIAN RESERVATION AND ITS 3,000 INHABITANTS, AS WELL AS A NUMBER OF BANNOCK AND BONNEVILLE RESIDENTS

Form and Line Reference	Explanation
PART VI, LINE 5	THE COMMUNITY BOARD STEERS THE ORGANIZATIONAL GOALS AND MISSION TOWARDS PROVIDING THE BEST HEALTHCARE FOR THE COMMUNITY BMH SUPPORTS A MULTITUDE OF PHYSICIAN SPECIALISTS IN THEIR EFFORTS TO PROVIDE CARE TO THE COMMUNITY ON A REGULAR SCHEDULE WITH THIS ASSISTANCE NUMEROUS PHYSICIANS ARE ABLE TO PROVIDE OUR COMMUNITY WITH SPECIALIZED MEDICAL CARE, FROM NEUROLOGY TO PODIATRY OUR FINANCIAL ASSISTANCE POLICIES AND PROTOCOLS ALLOW THOSE COMMUNITY MEMBERS WHO MAY HAVE LESS ABILITY TO PAY RECEIVE THE MEDICAL ATTENTION THEY NEED TO LIVE A HEALTHY LIFE THE VARIOUS SEMINARS, CLASSES AND EVENTS WE PROVIDE TO THE COMMUNITY FREE OF CHARGE GIVES THE COMMUNITY OPPORTUNITIES TO EDUCATE THEMSELVES ABOUT SOME OF THE MAJOR HEALTH CONCERNS PEOPLE HAVE
PART VI, LINE 6	N/A

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

▶ **Attach to Form 990**

▶ **Information about Schedule I (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BMH INC

Employer identification number
20-5126945

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) EASTERN IDAHO STATE FAIR PO BOX 250 BLACKFOOT,ID 83221	82-0492146	501(C)(3)	18,000				2013 FAIR SPONSORSHIP
(2) IDAHO COMMUNITY FOUNDATION INC DBA IDAHO HOMETOWN HEROES 444 HOSPITAL WAY SUITE 607 POCATELLO,ID 83201	82-0425063	501(C)(3)	7,500				GENERAL SUPPORT
(3) IDAHO STATE UNIVERSITY 921 S 8TH AVE POCATELLO,ID 83201	82-6000924	501(C)(3)	34,450				VARIOUS SPORTS TEAM SPONSORSHIPS
(4) BLACKFOOT CHAMBER OF COMMERCE PO BOX 801 BLACKFOOT,ID 83221	82-0099637	501(C)(3)	15,200				FIREWORKS SHOW SPONSOR
(5) ISLAMIC SOCIETY OF NORTH AMERICA 343 S 4TH AVE APT 3 POCATELLO,ID 83201	82-0464954	501(C)(3)	10,000				SUPPORT BUILDING OF A NEW CULTURAL CENTER

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 . . . . . ▶ 0

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.** Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Return Reference	Explanation
PART I, LINE 2	THE RECIPIENTS OF GRANTS ARE REQUIRED TO MAKE SOME KIND OF PUBLIC RECOGNITION OF THE FUNDS GIVEN

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**
▶ **Information about Schedule J (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BMH INC

Employer identification number
20-5126945

Part I Questions Regarding Compensation

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

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1)LOUIS KRAML CEO	(i)	421,816	0	36,642	72,000	45,424	575,882	0
	(ii)	0	0	0	0	0	0	0
(2)JEFF DANIELS CFO	(i)	371,331	4,500	17,990	0	29,296	423,117	0
	(ii)	0	0	0	0	0	0	0
(3)DAN COCHRAN COO	(i)	295,939	30,500	603	45,000	23,649	395,691	0
	(ii)	0	0	0	0	0	0	0
(4)DR ADAM WRAY PHYSICIAN	(i)	341,676	475,746	0	10,000	20,698	848,120	0
	(ii)	0	0	0	0	0	0	0
(5)DR DAVID SHELLEY PHYSICIAN	(i)	348,151	329,892	0	0	14,703	692,746	0
	(ii)	0	0	0	0	0	0	0
(6)DR BALDWIN STUTTS PHYSICIAN	(i)	996,933	304	0	0	20,643	1,017,880	0
	(ii)	0	0	0	0	0	0	0
(7)DR DAVID PETERSON PHYSICIAN	(i)	611,865	558	0	0	20,643	633,066	0
	(ii)	0	0	0	0	0	0	0
(8)DR HUGH SELZNICK PHYSICIAN	(i)	493,500	108	0	0	0	493,608	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Return Reference	Explanation
PART I, LINE 1A	IT IS ESTIMATED THAT 3 EXECUTIVES ARE ACCOMPANIED BY SPOUSES ON APPROXIMATELY 3-4 BUSINESS TRIPS PER YEAR FOR A TOTAL OF APPROXIMATELY 10 COMPANION-TRIPS PER YEAR COSTS INCLUDE ECONOMY-CLASS AIRFARE, MEALS, AND SHARED LODGING
PART I, LINE 4B	THE BMH, INC SUPPLEMENTAL RETIREMENT PLAN IS AN UNFUNDED AND UNSECURED PLAN MAINTAINED BY BMH PRIMARILY FOR THE PURPOSE OF PROVIDING DEFERRED COMPENSATION PURSUANT TO A PLAN DESCRIBED IN SECTION 457(F) OF THE INTERNAL REVENUE CODE THE PLAN IS ADMINISTERED AND CONSTRUED IN A MANNER CONSISTENT WITH SAID INTENT AND ACCORDING TO THE LAWS OF THE STATE OF IDAHO TO THE EXTENT THAT SUCH LAWS ARE NOT PREEMPTED BY FEDERAL LAWS THE PLAN IS A NON-ELECTIVE ACCOUNT BALANCE NONQUALIFIED DEFERRED COMPENSATION PLAN SUBJECT TO CLIFF VESTING THE PLAN IS INTENDED TO QUALIFY FOR THE "SHORT-TERM DEFERRAL" EXEMPTION FROM SECTION 409A OF THE CODE LOUIS KRAML IS THE SOLE PARTICIPANT OF THE PLAN FOR WHOM BMH, INC CONTRIBUTES AND IN 2013, $0 WAS CONTRIBUTED AN ADDITIONAL 457(F) PLAN IS AVAILABLE TO HIGHLY COMPENSATED AND CERTAIN MANAGEMENT EMPLOYEES IN WHICH THEY ARE ALLOWED TO DEFER COMPENSATION THIS PLAN IS FUNDED BUT THE ASSETS REMAIN PART OF BMH, INC UNTIL SUCH TIME AS AN APPROPRIATE ELECTION IS MADE BY THE PARTICIPANT TO HAVE THE FUNDS PAID TO THE PARTICIPANT
PART I, LINE 7	SOME PERFORMANCE-BASED BONUSES ARE PAID TO EXECUTIVES THOSE BONUSES ARE TIED TO PERFORMED WORK DUTIES AND ARE DETERMINED ON AN AD-HOC BASIS BY THE CEO AND APPROVED BY BOARD FINANCE COMMITTEE THESE BONUSES ARE UNDER $20,000 EACH

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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.
▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BMH INC

Employer identification number
20-5126945

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2	ALICE CANNON AND JOE CANNON HAVE A FAMILY RELATIONSHIP
FORM 990, PART VI, SECTION A, LINE 6	THE MEMBERS OF THE HOPSITAL CONSIST OF A BROAD REPRESENTATION OF THE CITIZENS OF BINGHAM COUNTY, IDAHO, INCLUDING AT LEAST ONE RESIDENT OF EACH INCORPORATED CITY IN BINGHAM COUNTY, IDAHO AND OF THE UNINCORPORATED AREA OF BINGHAM COUNTY
FORM 990, PART VI, SECTION A, LINE 7A	DIRECTORS ARE ELECTED BY A MAJORITY OF THE VOTES CAST BY THE MEMBERS ENTITLED TO VOTE IN THE ELECTION AT THE MEETING AT WHICH A QUORUM OF MEMBERS IS PRESENT
FORM 990, PART VI, SECTION A, LINE 7B	EACH MEMBER OF RECORD OF THE HOSPITAL IS ENTITLED TO VOTE AT THE MEETINGS AN AFFIRMATIVE VOTE OF A MAJORITY OF THE MEMBERS AT A MEETING IN WHICH A QUORUM WAS PRESENT IS AN ACT OF THE MEMBERS
FORM 990, PART VI, SECTION B, LINE 11	AFTER PREPARATION OF FORM 990 IT IS REVIEWED BY THE CFO, CEO, AND SUBMITTED TO THE BOARD OF DIRECTORS FOR REVIEW PRIOR TO BEING FILED WITH THE INTERNAL REVENUE SERVICE
FORM 990, PART VI, SECTION B, LINE 12C	A BOARD MEMBER MAY DECLARE CONFLICT AT A BOARD MEETING, DURING DISCUSSION AND ANNUALLY WITH THE CONFLICT OF INTEREST POLICY
FORM 990, PART VI, SECTION B, LINE 15	INTEGRATED HEALTHCARE STRATEGIES, A NATIONALLY RECOGNIZED EXECUTIVE COMPENSATION FIRM EVAL UATES ALL EXECUTIVE POSITIONS FOR COMPENSATION THE BOARD OF DIRECTORS ESTABLISHES THE CEO COMPENSATION AND THE CEO ESTABLISHES THE OTHER EXECUTIVES' COMPENSATION IN 2012 THE BYLAWS WERE AMENDED TO FORMALLY ADD AN EXECUTIVE COMPENSATION REVIEW COMMITTEE
FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION MAKES ITS CONFLICT OF INTEREST POLICY, FORM 990, FORM 1023, FINANCIAL STATEMENTS AND OTHER GOVERNANCE DOCUMENTS AVAILABLE UPON REQUEST BY CONTACTING JEFF DANIELS, CFO AT 98 POPLAR ST, BLACKFOOT, ID 83221 THE ORGANIZATIONS' AUDITED, CONSOLIDATED FINANCIAL STATEMENTS ARE PUBLICALLY AVAILABLE THROUGH THE MUNICIPAL SECURITIES RULEMAKING BOARD A T HTTP //EMMA MSRB ORG/DEFAULT ASPX
FORM 990, PART XI, LINE 9	BOOK TAX DIFFERENCES FROM SUBSIDIARIES K-1 376,783
FORM 990, PART XI, LINE 2C	THE ORGANIZATION DID NOT CHANGE ITS OVERSIGHT OR SELECTION PROCESS DURING THE TAX YEAR THE HOSPITAL'S FINANCE COMMITTEE ANNUALLY ASSUMES THE RESPONSIBILITY FOR OVERSIGHT OF ITS ANNUAL AUDIT AND SELECTION OF AN INDEPENDENT ACCOUNTANT

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BMH INC

Employer identification number
20-5126945

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on 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) BINGHAM LAND LLC 98 POPLAR ST BLACKFOOT, ID 83221 71-1035721	REAL ESTATE HOLDING COMPANY	ID	448,863	-77,069	BMH INC

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) PIETRA LLC 98 POPLAR STREET BLACKFOOT, ID 83221 26-3634345	ENDOSCOPY SERVICES	ID	BMH INC	RELATED	132,335	116,573		No			No	60 000 %
(2) BMH PHYSICIANS CLINIC LLC 98 POPLAR STREET BLACKFOOT, ID 83221 26-3952823	RENTAL REAL ESTATE	ID	BINGHAM LAND LLC	RELATED	49,171	748,899		No			No	58 720 %
(3) IDAHO PATHOLOGY LABORATORY LLC 98 POPLAR STREET BLACKFOOT, ID 83221 45-0956263	PATHOLOGY SERVICES	ID	BMH INC	RELATED	947,432	302,966		No		Yes		55 000 %

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

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

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

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule			
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a	Yes	
b Gift, grant, or capital contribution to related organization(s)	1b		No
c Gift, grant, or capital contribution from related organization(s)	1c		No
d Loans or loan guarantees to or for related organization(s)	1d	Yes	
e Loans or loan guarantees by related organization(s)	1e	Yes	
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j		No
k Lease of facilities, equipment, or other assets from related organization(s)	1k	Yes	
l Performance of services or membership or fundraising solicitations for related organization(s)	1l		No
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	Yes	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		No
o Sharing of paid employees with related organization(s)	1o		No
p Reimbursement paid to related organization(s) for expenses	1p		No
q Reimbursement paid by related organization(s) for expenses	1q		No
r Other transfer of cash or property to related organization(s)	1r		No
s Other transfer of cash or property from related organization(s)	1s	Yes	

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
See Additional Data Table			

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

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

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

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 20-5126945
Name: BMH INC

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
BMH PHYSICIANS CLINIC LLC	A	35,613	GAAP ACCOUNTING
IDAHO PATHOLOGY LABORATORY LLC	A	35,044	GAAP ACCOUNTING
BMH PHYSICIANS CLINIC LLC	D	574,854	GAAP ACCOUNTING
PIETRA LLC	E	291,249	GAAP ACCOUNTING
IDAHO PATHOLOGY LABORATORY LLC	E	799,219	GAAP ACCOUNTING
BMH PHYSICIANS CLINIC LLC	K	1,064,136	GAAP ACCOUNTING
IDAHO PATHOLOGY LABORATORY LLC	M	2,558,308	GAAP ACCOUNTING
PIETRA LLC	M	366,478	GAAP ACCOUNTING
PIETRA LLC	S	90,000	GAAP ACCOUNTING
IDAHO PATHOLOGY LABORATORY LLC	S	1,073,600	GAAP ACCOUNTING

Report of Independent Auditors
and Consolidated Financial Statements
with Supplementary Consolidating Information for

BMH, Inc.

December 31, 2013 and 2012

MOSS-ADAMS LLP

CONTENTS

MOSS-ADAMS LLP
Certified Public Accountants | Business Consultants

REPORT OF INDEPENDENT AUDITORS

The Board of Directors
BMH, Inc.

Report on Financial Statements

We have audited the accompanying consolidated financial statements of BMH, Inc. (the Organization), which comprise the consolidated balance sheets as of December 31, 2013 and 2012, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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 auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence 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 BMH, Inc. as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating information on pages 24 through 26 is presented for the purpose of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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.

Moss Adams LLP

Everett, Washington
May 30, 2014

BMH, INC.
CONSOLIDATED BALANCE SHEETS

ASSETS

	December 31, 2013	December 31, 2012
CURRENT ASSETS		
Cash and cash equivalents	$ 432,725	$ 1,775,329
Short-term investments	25,000	25,000
Receivables		
Patient accounts, net of allowance for doubtful accounts of $8,181,000 and $8,811,000, respectively	13,853,273	14,037,592
Other	4,013,940	4,720,531
Inventories	3,367,127	3,186,387
Prepaid expenses	1,096,537	1,181,537
Assets whose use is limited, required for current liabilities	254,408	247,601
Total current assets	23,043,010	25,173,977
ASSETS WHOSE USE IS LIMITED		
By board designation	16,976,922	13,268,504
Held by trustee under Series 1999 bond financing agreement, less amounts required for current liabilities	404,263	405,930
	17,381,185	13,674,434
LAND, BUILDINGS, AND EQUIPMENT, net	28,287,285	30,619,585
OTHER ASSETS	1,538,650	972,535
Total assets	$ 70,250,130	$ 70,440,531

LIABILITIES AND NET ASSETS

	December 31, 2013	December 31, 2012
CURRENT LIABILITIES		
Accounts payable	$ 5,207,433	$ 5,920,190
Payroll and related liabilities	3,211,079	3,095,682
Accrued interest	79,408	82,601
Accrued vacation	1,661,016	1,574,699
Estimated third-party payor settlements	2,852,008	3,968,455
Current portion of long-term debt	2,475,655	2,111,843
Current portion of capital lease obligations	451,233	474,039
Total current liabilities	15,937,832	17,227,509
DEFERRED COMPENSATION	1,586,200	1,218,540
LINE OF CREDIT	899,416	1,002,111
LONG-TERM DEBT, net of current portion	15,218,665	16,699,715
CAPITAL LEASE OBLIGATIONS, net of current portion	796,877	1,000,501
INTEREST RATE SWAP	1,137,383	1,792,705
OTHER LONG-TERM LIABILITIES	1,300,000	700,000
Total liabilities	36,876,373	39,641,081
UNRESTRICTED NET ASSETS		
BMH, Inc.	32,818,395	30,449,201
Noncontrolling interests in subsidiaries	555,362	350,249
Total unrestricted net assets	33,373,757	30,799,450
Total liabilities and net assets	$ 70,250,130	$ 70,440,531

BMH, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

	Years Ended December 31,	
	2013	2012
OPERATING REVENUES		
Net patient service revenue (net of contractual allowances and discounts)	$ 83,568,776	$ 78,601,383
Provision for bad debts	(4,095,623)	(5,220,865)
Net patient service revenue less provision for bad debts	79,473,153	73,380,518
Other operating revenues	2,460,553	5,150,094
Total operating revenues	81,933,706	78,530,612
OPERATING EXPENSES		
Salaries and wages	36,126,066	33,147,414
Employee benefits	7,554,534	6,976,065
Professional fees	1,892,109	2,199,246
Supplies	16,777,204	14,460,028
Purchased services, other	5,753,756	4,863,855
Purchased services, utilities	945,705	979,015
Insurance	518,178	533,237
Rent	1,486,401	1,447,849
Other	5,414,723	5,130,670
Interest	1,260,173	1,265,522
Depreciation and amortization	3,754,603	3,661,094
Total operating expenses	81,483,452	74,663,995
INCOME FROM OPERATIONS	450,254	3,866,617
NONOPERATING REVENUES AND EXPENSES		
Interest and dividend income	287,928	204,510
Net realized gain on investments	533,397	893,605
Income from DHHS	600,000	600,000
Other, net	(99,646)	183,517
Net nonoperating revenues	1,321,679	1,881,632
EXCESS OF REVENUES OVER EXPENSES	1,771,933	5,748,249
CHANGE IN UNREALIZED GAIN ON INVESTMENTS	1,101,001	161,064
GAIN ON INTEREST RATE SWAP AGREEMENT	655,322	64,121
DISTRIBUTIONS TO NONCONTROLLING MEMBERS	(953,949)	(529,006)
CHANGE IN NET ASSETS	2,574,307	5,444,428
UNRESTRICTED NET ASSETS, beginning of year	30,799,450	25,355,022
UNRESTRICTED NET ASSETS, end of year	$ 33,373,757	$ 30,799,450

See accompanying notes.

BMH, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31, 2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 2,574,307	$ 5,444,428
Adjustments to reconcile change in net assets to net cash from operating activities		
Provision for bad debts	4,095,623	5,220,865
Depreciation and amortization	3,754,603	3,661,094
Income from DHHS	(600,000)	(600,000)
Net realized and unrealized gains on investments	(1,634,398)	(1,054,669)
Gain on interest rate swap agreement	(655,322)	(64,121)
Distributions to noncontrolling members	953,949	529,006
Changes in operating assets and liabilities		
Patient accounts receivable	(3,911,304)	(4,136,808)
Other receivables	706,591	(3,848,747)
Inventories	(180,740)	(328,194)
Prepaid expenses	85,000	117,968
Other assets	33,885	(21,935)
Accounts payable	(712,757)	(849,990)
Payroll and related liabilities	115,397	534,745
Accrued interest	(3,193)	(11,236)
Accrued vacation	86,317	71,313
Estimated third-party payor settlements	(1,116,447)	2,669,348
Deferred compensation	367,660	(9,020)
Net cash from operating activities	3,959,171	7,324,047
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in investments and assets whose use is limited	(2,079,160)	(1,478,794)
Cash received from DHHS	600,000	600,000
Purchase of land, buildings, and equipment	(1,144,305)	(3,082,998)
Net cash from investing activities	(2,623,465)	(3,961,792)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change in line of credit	(102,695)	(971,389)
Proceeds from issuance of long-term debt	1,000,000	1,000,000
Payments on long-term debt	(2,117,238)	(1,730,765)
Payments on capital lease obligations	(504,428)	(397,660)
Distributions to noncontrolling members	(953,949)	(529,006)
Net cash from investing activities	(2,678,310)	(2,628,820)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,342,604)	733,435
CASH AND CASH EQUIVALENTS, beginning of year	1,775,329	1,041,894
CASH AND CASH EQUIVALENTS, end of year	$ 432,725	$ 1,775,329
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS		
Cash paid during the year for interest, net of amount capitalized	$ 1,263,366	$ 1,276,758
Equipment acquired through new capital lease	$ 277,998	$ 865,354

See accompanying notes.

Note 1 - Description of Organization

BMH, Inc. (the Organization) was incorporated as an Idaho nonprofit corporation on June 26, 2006. The Organization operates Bingham Memorial Hospital and Bingham Memorial Skilled Nursing & Rehabilitation Center (Bingham Memorial), a 25-bed acute care hospital and a 70-bed nursing home. Bingham Memorial provides inpatient, outpatient, emergency care, skilled nursing, and physician services for residents of Bingham County and surrounding counties. Bingham Memorial is the majority owner of Pietra, L.C. (Pietra), which provides endoscopy services for residents of Bingham County. Bingham Memorial is also the majority owner in Idaho Pathology Laboratory, LLC (IPL), which provides anatomical pathology for residents of Bingham County. Bingham Memorial fully owns Bingham Land, LLC (Bingham Land), a real estate holding company that is the majority owner of BMH Physicians Clinic, LLC, which owns and leases a medical office building in Blackfoot, Idaho.

On July 1, 2007, the Organization entered into a Hospital Lease and Transfer Agreement (Hospital Lease) with Bingham County, Idaho (Bingham County) to lease Bingham Memorial under a 99-year lease, at $1 per year, which expires on June 30, 2106. Under the lease agreement, the Organization acquired all assets, liabilities, and operations of Bingham Memorial other than its investment in two subsidiaries, the ownership of which was retained by Bingham County (Note 14). In conjunction with the lease, the Organization entered into a liquid assets transfer agreement with Bingham County, under which the Organization pays an annual amount to Bingham County in consideration of the use of the existing liquid assets (Note 13).

As a not-for-profit organization, the Organization is exempt from federal and state income tax.

Principles of consolidation - The consolidated financial statements include the accounts of Bingham Memorial, Bingham Land, Pietra, and IPL. All intercompany amounts have been eliminated in consolidation.

Note 2 - Summary of Significant Accounting Policies

Cash and cash equivalents - Cash and cash equivalents include investments in highly liquid instruments with original maturities of three months or less, excluding amounts whose use is limited by board designation or by other arrangements under trust agreements. The Organization maintains cash balances at banks. At times, amounts may exceed FDIC insurance limitations.

Short-term investments - Short-term investments consist of certificates of deposit at banks and have original maturities greater than three months but less than one year. Short-term investments are measured at fair value.

Note 2 - Summary of Significant Accounting Policies (continued)

Patient accounts receivable - Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the Organization analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Organization analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Organization records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates, if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Organization's allowance for doubtful accounts was calculated at 76% and 78% of self-pay accounts receivable and 5% and 3% of third-party accounts receivable at December 31, 2013 and 2012, respectively. There were no significant changes in the allowance for doubtful accounts or the related methodology during the year ended December 31, 2013 or 2012.

Inventories - Inventories are stated at the lower of cost (first-in, first-out method) or net realizable value. Inventories consist of pharmaceutical, medical-surgical, and other supplies used in the operation of the Organization.

Assets whose use is limited - Assets whose use is limited consist of cash and cash equivalents, interest receivable, note receivable, and investments, including funds designated by the board of directors for capital improvements and deferred compensation, as well as amounts held under bond indenture agreements. Investments include mutual funds and variable annuities.

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value on the consolidated balance sheets. Other assets limited as to use are carried at cost, which approximates fair value. Investment income or loss (including realized gains and losses on investments, unrealized investment losses considered other than temporary, interest, and dividends) is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from the excess of revenues over expenses.

Note 2 - Summary of Significant Accounting Policies (continued)

Land, buildings, and equipment - Land, buildings, and equipment are stated at cost. Expenditures for maintenance and repairs are charged to operations as incurred; betterments and major renewals are capitalized. When such assets are disposed of, the related costs and accumulated depreciation and amortization are removed from the accounts, and the resulting gain or loss is classified in operating revenues or expenses.

Depreciation and amortization have been computed on the straight-line method over the estimated useful service lives of the assets. Donated items are recorded at fair market value at the date of contribution and are subsequently considered as being on the basis of cost. Depreciation and amortization have been computed on the straight-line method over the following estimated useful service lives:

Land improvements	15 - 20 years
Buildings and improvements	20 - 40 years
Equipment	3 - 20 years

Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. Investment income earned or investment losses incurred on borrowed funds during the period of construction of capital assets are recorded as an offset to the costs of acquiring those assets.

Other assets - Other assets consist of deferred financing costs and estimated insurance recoveries. Deferred financing costs are legal, accounting, and underwriting fees, printing costs, and other expenses associated with the issuance of long-term debt. Such costs are amortized on a straight-line basis over the life of the related debt. Unamortized deferred financing costs were $221,960 and $236,280 at December 31, 2013 and 2012, respectively.

Leases - The Organization accounts for its lease agreements as capital or operating leases in accordance with the criteria established by generally accepted accounting principles.

Derivative instruments - The Organization has an interest rate swap, which qualifies as a cash flow hedge. The swap expires in January 2020 and fixes the interest rate paid on one of the Key Bank promissory notes at 6.75%. The outstanding balance of this note is $8,357,158 and the variable rate was 3.25% as of December 31, 2013. The derivative financial instrument is reported at fair market value on the consolidated balance sheets. Changes in the fair market value of the derivative are recorded each period on the consolidated statements of operations and changes in net assets below excess of revenues over expenses. The Organization recorded gains on the interest rate swap of $655,322 and $64,121 during the years ended December 31, 2013 and 2012, respectively. During the years ended December 31, 2013 and 2012, the derivative resulted in an increase in interest expense of approximately $293,000 and $306,000, respectively.

Note 2 - Summary of Significant Accounting Policies (continued)

Net assets - The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets - Unrestricted net assets are funds controlled and designated by the board of directors that include the general, operating, and equipment accounts.

Temporarily restricted net assets - Temporarily restricted net assets are assets with donor-imposed restrictions that allow the use of the assets as specified either by the passage of time or by actions of the Organization.

Permanently restricted net assets - Permanently restricted net assets are controlled by law or donor-imposed restrictions stating the resources be maintained permanently.

The Organization had only unrestricted net assets at December 31, 2013 and 2012.

Patient service revenue - The Organization recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients who do not qualify for charity care, the Organization recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the Organization's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Organization records a significant provision for bad debts related to uninsured patients in the period the services are provided. Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the period from these major payor sources is as follows:

	Third-Party Payors	Self-Pay	Total All Payors
2013			
Patient service revenue (net of contractual allowances and discounts)	$ 73,695,316	$ 9,873,460	$ 83,568,776
2012			
Patient service revenue (net of contractual allowances and discounts)	$ 67,607,402	$ 10,993,981	$ 78,601,383

Preliminary settlements under reimbursement agreements with third-party payors are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Reimbursement received from certain third-party payors is subject to audit and retroactive adjustment. A provision for possible adjustment as a result of audits is recorded in the consolidated financial statements. When reimbursement settlements are received, or when information becomes available with respect to reimbursement changes, any variations from amounts previously accrued are accounted for in the period in which the settlements are received or the change in information becomes available.

Note 2 - Summary of Significant Accounting Policies (continued)

The following are components of net patient service revenue for the years ended December 31:

	2013	2012
Gross patient service charges	$ 184,423,948	$ 172,361,051
Adjustments to patient service charges		
Contractual adjustments	99,818,048	92,997,442
Provision for bad debts	4,095,623	5,220,865
Charity care	1,037,124	762,226
	104,950,795	98,980,533
Net patient service revenue less provision for bad debts	$ 79,473,153	$ 73,380,518

Electronic Health Record Incentive Program - The American Recovery and Reinvestment Act of 2009 provided for incentive payments for eligible hospitals that adopt a certified Electronic Health Record (EHR) system and are meaningful users of certified EHR technology. During 2012, the Organization implemented a certified EHR system and demonstrated meaningful use. The earned incentive payments were calculated at $3,255,029 and were recorded as other operating revenue during the year ended December 31, 2012. This amount was recorded in other receivables at December 31, 2013 and 2012. The amount was received in January 2014.

Excess of revenues over expenses - The consolidated statements of operations and changes in net assets include excess of revenues over expenses. Changes in unrestricted net assets that are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities, gains and losses on the interest rate swap agreement, permanent transfers of assets to and from affiliates for other than goods and services, distributions to and contributions from noncontrolling members, and contributions of long-lived assets (including assets acquired using contributions that, by donor restriction, were to be used for the purposes of acquiring such assets).

Charity care - The Organization provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than established rates. Because the Organization does not pursue collection of amounts determined to qualify as charity care, they are not reported as patient service revenue. The costs the Organization incurred to provide charity care were approximately $458,229 and $330,184 for the years ended December 31, 2013 and 2012, respectively. The Organization has estimated these costs by multiplying its ratio of costs to gross charges to the gross uncompensated charges associated with providing charity care.

Note 2 - Summary of Significant Accounting Policies (continued)

Federal income tax - The Organization is a not-for-profit corporation and has been recognized as tax exempt pursuant to Section 501(c)(3) of the Internal Revenue Code (IRC). The Organization is exempt from federal income tax under Section 501(c)(3) of the IRC except to the extent of unrelated business taxable income as defined under IRC Sections 511 through 515. The Organization has adopted accounting for uncertain tax positions. The accounting standard prescribes a recognition threshold and measurement process for uncertain tax positions. The Organization had no uncertain tax positions as of December 31, 2013 or 2012.

Fair value measurements - Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. The Organization classified its investments based upon an established fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value (Note 16). The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

The three levels of the fair value hierarchy are described below:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 - Quoted prices in markets that are not considered to be active or financial instruments without quoted market prices, but for which all significant inputs are observable, either directly or indirectly;

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Subsequent events - Subsequent events are events or transactions that occur after the balance sheet date but before financial statements are available to be issued. The Organization recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the consolidated financial statements. The Organization's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before the consolidated financial statements are available to be issued.

The Organization has evaluated subsequent events through May 30, 2014, which is the date the consolidated financial statements are available to be issued.

Note 3 - Third-Party Contractual Agreements

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

Medicare - Bingham Memorial has critical access hospital status, under which inpatient, swing-bed, and outpatient services are to be reimbursed on a cost-plus basis. Inpatient acute, swing-bed, and outpatient care services rendered to Medicare program beneficiaries are paid on an interim basis at a per diem rate or percentage of billed charges. These interim payments are subject to final settlement upon submission and audit of the cost report to the Medicare fiscal intermediary. Bingham Memorial's Medicare cost reports have been audited by the Medicare fiscal intermediary through December 31, 2010.

Medicaid - Reimbursement for inpatient acute care, outpatient, and nursing home services is based on costs as defined and limited by the Medicaid program. Bingham Memorial's Medicaid cost reports have been audited through December 31, 2010.

Bingham Memorial has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to Bingham Memorial on these agreements includes prospectively determined rates per discharge, discounts from established rates, and other payment methods.

Note 4 - Assets Whose Use Is Limited

Assets whose use is limited are stated at fair value at December 31, 2013 and 2012.

	2013	2012
Board designated		
Money market funds	$ 1,312,577	$ 1,452,682
Interest receivable	12,577	12,577
Mutual funds - fixed income	6,686,274	4,032,357
Mutual funds - equities	7,537,942	6,735,890
Deferred compensation plan assets		
Money market funds	93,402	68,508
Note receivable	430,000	430,000
Variable annuities	904,150	536,490
	$ 16,976,922	$ 13,268,504
Held by trustee under Series 1999 bond financing agreement		
Money market funds	$ 658,671	$ 653,531
Less assets whose use is limited and required for current liabilities	254,408	247,601
	$ 404,263	$ 405,930

Note 4 - Assets Whose Use Is Limited (continued)

Investment income, gains, and losses from cash and cash equivalents, short-term investments, and assets whose use is limited are composed of the following:

	2013	2012
Nonoperating revenues		
Interest and dividend income	$ 287,928	$ 204,510
Net realized gain on investments	533,397	893,605
	$ 821,325	$ 1,098,115
Other changes in unrestricted net assets		
Change in unrealized gain on investments	$ 1,101,001	$ 161,064

Note 5 - Land, Buildings, and Equipment

The Organization's land, buildings, and equipment and related accumulated depreciation are set forth below:

	2013	2012
Land	$ 1,476,209	$ 1,361,209
Land improvements	866,512	794,282
Buildings and improvements	34,067,086	33,091,421
Equipment	25,062,490	23,345,714
Equipment under capital lease obligations	1,611,614	2,589,556
Construction in progress	1,641,944	2,155,257
	64,725,855	63,337,439
Less accumulated depreciation and amortization	36,438,570	32,717,854
	$ 28,287,285	$ 30,619,585

Depreciation expense for the years ended December 31, 2013 and 2012, was $3,233,949 and $3,181,720, respectively. Amortization expense for equipment under capital lease obligations for the years ended December 31, 2013 and 2012, was $520,654 and $465,054 and accumulated amortization was $767,813 and $1,503,101, respectively.

Note 6 - Line of Credit

The Organization has a line of credit with a bank for capital equipment borrowings up to $2,000,000, which expires in December 2015. Interest is charged at the bank's prime rate (3.25% at December 31, 2013) and is payable monthly. The outstanding balance as of December 31, 2013 and 2012, was $899,416 and $1,002,111, respectively. The line of credit is secured by the assets of the Organization.

Note 7 - Long-Term Debt and Capital Lease Obligations

	2013	2012
Idaho Health Facilities Authority bonds payable, dated June 1, 1999, due in annual principal amounts ranging from $175,000 to $410,000, plus interest ranging from 5.85% to 6.00%, through March 2029, secured by revenues, accounts receivable, and certain equipment of Bingham Memorial.	$ 4,410,000	$ 4,575,000
Bank of Commerce promissory note, dated February 28, 2006, due in monthly installments of $2,500, including interest at a variable rate (7.00% at December 31, 2013), through February 2016, with a balloon payment on March 1, 2016, secured by accounts receivable, property and equipment, and deposit accounts.	149,676	166,552
KeyBank promissory note, converted from a construction line of credit in 2010 with additional borrowings of $223,000, due in monthly installments of $50,232, including interest at a variable rate (3.25% at December 31, 2013), with a bank option to reset the rate effective on or after February 1, 2015, from the current rate of the bank's prime rate less 0.60% to a rate ranging from the bank's prime rate less 1.00% to the bank's prime rate plus 2.50%, secured by assets of the Organization.	8,357,158	8,635,882
U.S. Bancorp Equipment Finance loan, dated December 28, 2009, due in monthly installments of $5,331, including interest of 4.73%, through December 2014, secured by equipment financed by the loan.	62,221	122,595
KeyBank promissory note, dated July 15, 2009, due in monthly installments of $4,611, including interest of 5.02%, through July 2014, secured by assets of the Organization.	36,972	88,974
KeyBank promissory note, dated July 15, 2009, due in monthly installments of $7,436, including interest of 5.02%, through July 2014, secured by assets of the Organization.	70,805	143,506
KeyBank promissory note, dated July 15, 2009, due in monthly installments of $3,308, including interest of $5.08%, through July 2014, secured by assets of the Organization.	191,348	235,513
U.S. Bancorp Equipment Finance loan, dated March 25, 2010, due in monthly installments of $7,152, including interest of 4.72%, through March 2015, secured by equipment financed by the loan.	103,660	182,875

Note 7 - Long-Term Debt and Capital Lease Obligations (continued)

	2013	2012
KeyBank loan dated August 9, 2011, due in monthly installments of $73,612, including interest of 3.97%, through August 2016, secured by assets of the Organization.	2,231,682	3,009,598
KeyBank promissory note, dated November 19, 2012, due in monthly installments of $29,210, including interest at a variable rate (3.25% at December 31, 2013), through October 2015, with a balloon payment on November 19, 2015, secured by assets of the Organization.	650,105	973,408
KeyBank promissory note, dated December 20, 2013, due in monthly installments of $29,212, including interest at a variable rate (3.25% at December 31, 2013), through November 2016, with a balloon payment on December 20, 2016, secured by assets of the Organization.	1,000,000	-
U.S. Bancorp Equipment Finance loan, dated July 27, 2010, due in monthly installments of $22,387, including interest of 3.82%, through August 2015, secured by equipment financed by the loan.	430,693	677,655
Long-term debt	17,694,320	18,811,558
Less current portion	2,475,655	2,111,843
	$ 15,218,665	$ 16,699,715
Capital lease obligations, with imputed interest from 2.13% to 7.91%, stated at present value of future minimum lease payments, secured by related equipment.	$ 1,248,110	$ 1,474,540
Less current portion	451,233	474,039
	$ 796,877	$ 1,000,501

Note 7 - Long-Term Debt and Capital Lease Obligations (continued)

Scheduled principal repayments on long-term debt and payments on capital lease obligations are as follows:

	Long-Term Debt	Capital Lease Obligations
2014	$ 2,475,655	$ 489,883
2015	2,368,270	364,095
2016	1,571,486	251,748
2017	569,843	179,121
2018	605,246	25,225
Thereafter	10,103,820	-
	$ 17,694,320	1,310,072
Less amounts representing interest under capital lease obligations		61,962
		$ 1,248,110

The Organization's bonds payable from the Idaho Health Facilities Authority include financial covenants that must be complied with as a condition of the loan. The Organization was in compliance with the financial covenants at December 31, 2013 and 2012.

Note 8 - Net Assets

The changes in consolidated unrestricted net assets attributable to the Organization and transfers to and from noncontrolling interest are as follows for the years ended December 31:

	Total	BMH, Inc.	Noncontrolling Interest
Balance, December 31, 2011	$ 25,355,022	$ 25,837,533	$ (482,511)
Excess of revenues over expenses	5,748,249	4,412,952	1,335,297
Change in unrealized gains and losses on investments	161,064	161,064	-
Gain on interest rate swap agreement	64,121	37,652	26,469
Distributions to noncontrolling members	(529,006)	-	(529,006)
Change in net assets	5,444,428	4,611,668	832,760
Balance, December 31, 2012	30,799,450	30,449,201	350,249
Excess of revenues over expenses	1,771,933	883,388	888,545
Change in unrealized gains and losses on investments	1,101,001	1,101,001	-
Gain on interest rate swap agreement	655,322	384,805	270,517
Distributions to noncontrolling members	(953,949)	-	(953,949)
Change in net assets	2,574,307	2,369,194	205,113
Balance, December 31, 2013	$ 33,373,757	$ 32,818,395	$ 555,362

Note 9 - Self-Insurance

The Organization has a self-insured unemployment plan for its employees. The plan is the Group Unemployment Compensation Program, which is administered by the Idaho Hospital Association. The Organization pays its share of actual unemployment claims, maintenance of reserves, and administrative expenses. There were no amounts due from the Organization as of December 31, 2013 or 2012.

The Organization self-insures for its health care benefits provided to its employees. Employee medical and dental claims are paid by the Organization through third-party plan administrators. Employees file their claims with the administrators. The administrators pay the claims out and are reimbursed by the Organization. Expenses for self-insured health care benefits coverage totaled $4,612,000 and $4,190,000 for the years ended December 31, 2013 and 2012, respectively. The Organization accrued a liability of $349,000 and $530,000 at December 31, 2013 and 2012, respectively, for estimated claims incurred prior to year-end and filed with the administrators after year-end.

Note 10 - Retirement Plan

The Organization has a defined contribution plan for all eligible employees. This plan includes provisions for discretionary contributions by the Organization. Contribution expense totaled $299,000 and $292,000 for the years ended December 31, 2013 and 2012, respectively.

Note 11 - Deferred Compensation Benefits

The Organization has a deferred compensation agreement with certain current employees in accordance with Internal Revenue Section 409A. Under the agreement, the Organization accrues the liability to fund the plan. There was no deferred compensation benefits expense under the plan for the years ended December 31, 2013 and 2012. The accrued liability under the Section 409A plan is $682,050 at December 31, 2013 and 2012. The Organization also offers a Section 457 nonqualified deferred compensation plan for certain employees.

Note 12 - Concentration of Credit Risk

The Organization grants credit without collateral to its patients, most of whom are local residents and insured under third-party agreements. The majority of these patients are geographically concentrated in and around Bingham County. No single patient comprises more than 5% of the total receivables at year-end. The mix of patient receivables at December 31, 2013 and 2012, is as follows:

	2013	2012
Medicare	38%	39%
Medicaid	8%	11%
Blue Cross	17%	10%
Other third-party payors	34%	35%
Self-pay	3%	5%
	100%	100%

Note 13 - Commitments and Contingencies

Hospital lease - In conjunction with the Hospital Lease and Transfer Agreement, the Organization entered into a liquid assets transfer agreement with Bingham County, under which the Organization pays an annual amount to Bingham County in consideration of the use of the existing liquid assets, which is calculated as $150,000 per year plus 5% of the excess of revenues over expenses, not to exceed $150,000 per year. In addition, any indigent funds received by the Organization must be paid to Bingham County. Expenses recorded under the Hospital Lease were $445,000 and $372,000 for the years ended December 31, 2013 and 2012.

Note 13 - Commitments and Contingencies (continued)

Operating leases - The Organization leases certain facilities and equipment under operating lease arrangements expiring at various dates through 2048, including a related-party equipment lease (Note 14). Rental expense under all operating leases for the years ended December 31, 2013 and 2012, was $1,486,401 and $1,447,849, respectively.

Future minimum lease payments under noncancelable operating leases for the year ending December 31, 2013, are as follows:

	Hospital	Related Party	Other	Total
2014	$ 150,000	$ 198,000	$ 483,000	$ 831,000
2015	150,000	-	419,000	569,000
2016	150,000	-	414,000	564,000
2017	150,000	-	112,000	262,000
2018	150,000	-	66,000	216,000
Thereafter	11,625,000	-	1,807,000	13,432,000
	$ 12,375,000	$ 198,000	$ 3,301,000	$ 15,874,000

Compliance with laws and regulations - The health care industry is subject to numerous laws and regulations from federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity with respect to investigations and allegations regarding possible violations of these laws and regulations by health care providers, including those related to medical necessity and coding and billing for services, has increased substantially. Violations of these laws and regulations could result in expulsion from government health care programs, together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Organization is in compliance with the fraud and abuse regulations, as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

Risk management - The Organization is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters, and no claims have exceeded such coverage.

The Organization purchases malpractice insurance coverage on a claims-made basis. The Organization does not believe there are any material net uninsured malpractice costs or claims incurred exceeding insured limits at December 31, 2013 or 2012. The Organization has recorded $1,300,000 and $700,000 of estimated malpractice liabilities as of December 31, 2013 and 2012, respectively.

Note 14 - Related Parties

As stipulated in the Hospital Lease, Bingham County retained ownership of Doctors and Hospital Health System of Idaho, LLC (DHHS) and CMRGO, LLC (CMRGO), of which Bingham County owns 60% and 100%, respectively. In accordance with the Hospital Lease, capital distributions made from these entities to Bingham County are then paid by Bingham County to the Organization. In addition, the Organization will reimburse Bingham County for any capital contributions made by the county to DHHS and CMRGO. Based on these stipulations of the Hospital Lease, the Organization has a beneficial interest in these entities. There were no capital contributions made to these entities during the years ended December 31, 2013 or 2012. There were capital distributions of $600,000 made by DHHS during the years ended December 31, 2013 and 2012.

DHHS owns and operates an 8-bed acute care hospital in Blackfoot, Idaho, where it provides spine surgeries and related services to residents and visitors of Blackfoot and the surrounding communities. DHHS also operates a hyperbaric and healing center in Pocatello, Idaho. CMRGO is a real estate holding company that owns the land and building in which DHHS operates.

The following represents summary financial information of DHHS and CMRGO as of December 31, 2013 and 2012, and for the years then ended:

	DHHS (Unaudited)	CMRGO (Unaudited)
2013		
Current assets	$ 4,015,078	$ 569,947
Noncurrent assets, net	2,291,134	2,568,599
	$ 6,306,212	$ 3,138,546
Current liabilities	$ 583,512	$ 129,642
Long-term liabilities, net	-	1,154,532
Equity	5,722,700	1,854,372
	$ 6,306,212	$ 3,138,546
Revenues	$ 7,073,814	$ 542,373
Expenses	6,041,063	219,819
Net income	$ 1,032,751	$ 322,554

Note 14 - Related Parties (continued)

	DHHS (Unaudited)	CMRGO (Unaudited)
2012		
Current assets	$ 4,387,647	$ 297,209
Noncurrent assets, net	2,224,426	2,669,785
	$ 6,612,073	$ 2,966,994
Current liabilities	$ 1,013,358	$ 131,677
Long-term liabilities, net	-	1,303,499
Equity	5,598,715	1,531,818
	$ 6,612,073	$ 2,966,994
Revenues	$ 7,532,869	$ 536,520
Expenses	5,819,872	232,813
Net income	$ 1,712,997	$ 303,707

The Organization provides contract services to DHHS under a management services contract. The Organization also subleases equipment to DHHS. Amounts recorded under the management services and lease agreements are recorded in other operating revenue and were $562,000 and $401,000 for the years ended December 31, 2013 and 2012, respectively.

As of December 31, 2013 and 2012, the Organization had a receivable from DHHS included in other receivables in the amount of $184,168 and $252,914, respectively.

The Organization leases equipment from CMRGO. Lease expense for the equipment lease with CMRGO was $202,000 and $198,000 for the years ended December 31, 2013 and 2012, respectively. Future minimum payments under this lease have been included in the commitments disclosure (Note 13).

Note 15 - Functional Expenses

The Organization provides general health care services to residents within its geographic location. Expenses related to providing these services are as follows:

	2013	2012
Health care services	$ 62,469,524	$ 56,690,160
General and administrative	19,013,928	17,973,835
	$ 81,483,452	$ 74,663,995

Note 16 - Fair Value of Financial Instruments

Under accounting principles, a financial instrument is defined as cash, evidence of an ownership in an entity, or a contract between two entities to deliver cash or another financial instrument or to exchange other instruments. The disclosure requirements exclude leases, affiliate investments, pension and benefit obligations, insurance contracts, and all nonfinancial instruments. The estimated fair value of certain financial instruments is reflected in the accompanying consolidated balance sheets in the following manner. The carrying amount of cash and cash equivalents, accounts payable and accrued expenses, and net payables to contractual agencies approximates the fair value of these instruments. Fair values of investments and assets limited as to use are based on quoted market prices, if available, or estimated using quoted market prices for similar securities. The fair value of long-term debt is estimated using either quoted market prices or discounted cash flows based on borrowing rates currently available to the Organization, and is classified within Level 2 of the hierarchy. The estimated fair value of long-term debt reported on the consolidated balance sheets is approximately $17,624,000 and $18,818,000 at December 31, 2013 and 2012, respectively.

The following tables disclose, by level, the fair value hierarchy at December 31 (Note 2):

	Total	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2013				
Short-term investments				
Certificates of deposit	$ 25,000	$ -	$ 25,000	$ -
Assets whose use is limited				
Money market funds	$ 2,077,227	$ 2,077,227	$ -	$ -
Mutual funds - fixed income	6,686,274	6,686,274	-	-
Mutual funds - equities	7,537,942	7,537,942	-	-
	$ 16,301,443	$ 16,301,443	$ -	$ -
Interest rate swap	$ 1,137,383	$ -	$ 1,137,383	$ -

	Total	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2012				
Short-term investments				
Certificates of deposit	$ 25,000	$ -	$ 25,000	$ -
Assets whose use is limited				
Money market funds	$ 2,187,298	$ 2,187,298	$ -	$ -
Mutual funds - fixed income	4,032,357	4,032,357	-	-
Mutual funds - equities	6,735,890	6,735,890	-	-
	$ 12,955,545	$ 12,955,545	$ -	$ -
Interest rate swap	$ 1,792,705	$ -	$ 1,792,705	$ -

SUPPLEMENTARY CONSOLIDATING INFORMATION

BMH, INC.
CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2013

	BMH	Bingham Land	Pietra	IPL	Eliminations	Consolidated Total
CURRENT ASSETS						
Cash and cash equivalents	$ 106,524	$ 428,880	$ (2,426)	$ (100,253)	$ -	$ 432,725
Short-term investments	25,000	-	-	-	-	25,000
Receivables						
Patient accounts, net	13,853,273	-	-	-	-	13,853,273
Other	5,058,351	-	291,249	872,232	(2,207,892)	4,013,940
Inventories	3,352,844	-	-	14,283	-	3,367,127
Prepaid expenses	1,081,517	-	-	15,020	-	1,096,537
Assets whose use is limited, required for current liabilities	254,408	-	-	-	-	254,408
Total current assets	23,731,917	428,880	288,823	801,282	(2,207,892)	23,043,010
ASSETS WHOSE USE IS LIMITED						
By board designation	16,976,922	-	-	-	-	16,976,922
Held by trustee under Series 1999 bond financing agreement, less amounts required for current liabilities	404,263	-	-	-	-	404,263
	17,381,185	-	-	-	-	17,381,185
LAND, BUILDINGS, AND EQUIPMENT, net	18,375,086	9,630,854	-	281,345	-	28,287,285
INVESTMENT IN AFFILIATES	25,944	-	-	-	(25,944)	-
OTHER ASSETS	1,538,650	-	-	-	-	1,538,650
Total assets	$ 61,052,782	$ 10,059,734	$ 288,823	$ 1,082,627	$ (2,233,836)	$ 70,250,130

BMH, INC.
CONSOLIDATING BALANCE SHEET (continued)
DECEMBER 31, 2013

	BMH	Bingham Land	Pietra	IPL	Eliminations	Consolidated Total
CURRENT LIABILITIES						
Accounts payable	$ 6,272,474	$ 1,057,098	$ 55,120	$ 30,633	$ (2,207,892)	$ 5,207,433
Payroll and related liabilities	3,211,079	-	-	-	-	3,211,079
Accrued interest	79,408	-	-	-	-	79,408
Accrued vacation	1,661,016	-	-	-	-	1,661,016
Estimated third-party payor settlements	2,852,008	-	-	-	-	2,852,008
Current portion of long-term debt	2,177,523	298,132	-	-	-	2,475,655
Current portion of capital lease obligations	362,243	-	-	88,990	-	451,233
Total current liabilities	16,615,751	1,355,230	55,120	119,623	(2,207,892)	15,937,832
DEFERRED COMPENSATION	1,586,200	-	-	-	-	1,586,200
LINE OF CREDIT	899,416	-	-	-	-	899,416
LONG-TERM DEBT, net of current portion	7,159,639	8,059,026	-	-	-	15,218,665
CAPITAL LEASE OBLIGATIONS, net of current portion	673,381	-	-	123,496	-	796,877
INTEREST RATE SWAP	-	1,137,383	-	-	-	1,137,383
OTHER LONG-TERM LIABILITIES	1,300,000	-	-	-	-	1,300,000
Total liabilities	28,234,387	10,551,639	55,120	243,119	(2,207,892)	36,876,373
UNRESTRICTED NET ASSETS						
BMH, Inc.	32,818,395	(597,045)	233,703	839,508	(476,165)	32,818,396
Noncontrolling interests in subsidiaries	-	105,140	-	-	450,221	555,361
Total unrestricted net assets	32,818,395	(491,905)	233,703	839,508	(25,944)	33,373,757
Total liabilities and net assets	$ 61,052,782	$ 10,059,734	$ 288,823	$ 1,082,627	$ (2,233,836)	$ 70,250,130

BMH, INC.
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2013

	BMH	Bingham Land	Pietra	IPL	Eliminations	Consolidated Total
OPERATING REVENUES						
Net patient service revenue (net of contractual allowances and discounts)	$ 83,568,776	$ -	$ -	$ -	$ -	$ 83,568,776
Provision for bad debts	(4,095,623)	-	-	-	-	(4,095,623)
Net patient service revenue less provision for bad debts	79,473,153	-	-	-	-	79,473,153
Other operating revenues	3,966,274	1,007,318	366,478	2,524,027	(5,403,544)	2,460,553
Total operating revenues	83,439,427	1,007,318	366,478	2,524,027	(5,403,544)	81,933,706
OPERATING EXPENSES						
Salaries and wages	36,126,066	-	-	-	-	36,126,066
Employee benefits	7,554,534	-	-	-	-	7,554,534
Professional fees	1,802,684	1,286	635	87,504	-	1,892,109
Supplies	16,657,698	-	40,413	79,093	-	16,777,204
Purchased services, other	8,066,725	-	93,993	483,543	(2,890,505)	5,753,756
Purchased services, utilities	945,705	-	-	-	-	945,705
Insurance	517,034	24	120	1,000	-	518,178
Rent	2,455,411	-	-	38,308	(1,007,318)	1,486,401
Other	5,404,668	200	216	9,639	-	5,414,723
Interest	661,957	604,554	(2,155)	17,024	(21,207)	1,260,173
Depreciation and amortization	3,319,822	293,643	-	141,138	-	3,754,603
Total operating expenses	83,512,304	899,707	133,222	857,249	(3,919,030)	81,483,452
INCOME (LOSS) FROM OPERATIONS	(72,877)	107,611	233,256	1,666,778	(1,484,514)	450,254
NONOPERATING REVENUES AND EXPENSES						
Interest and dividend income	307,319	1,504	96	216	(21,207)	287,928
Net realized gain on investments	533,397	-	-	-	-	533,397
Income from DHHS	600,000	-	-	-	-	600,000
Other, net	(99,646)	-	-	-	-	(99,646)
Net nonoperating revenues	1,341,070	1,504	96	216	(21,207)	1,321,679
EXCESS OF REVENUES OVER EXPENSES	1,268,193	109,115	233,352	1,666,994	(1,505,721)	1,771,933
CHANGE IN UNREALIZED GAIN ON INVESTMENTS	1,101,001	-	-	-	-	1,101,001
GAIN ON INTEREST RATE SWAP AGREEMENT	-	655,322	-	-	-	655,322
DISTRIBUTIONS TO NONCONTROLLING MEMBERS	-	(15,549)	(60,000)	(878,400)	-	(953,949)
INTERAFFILIATE TRANSFERS	-	-	(90,000)	(1,073,600)	1,163,600	-
CHANGE IN NET ASSETS	2,369,194	748,888	83,352	(285,006)	(342,121)	2,574,307
UNRESTRICTED NET ASSETS, beginning of year	30,449,201	(1,240,793)	150,351	1,124,514	316,177	30,799,450
NET ASSETS, end of year	$ 32,818,395	$ (491,905)	$ 233,703	$ 839,508	$ (25,944)	$ 33,373,757