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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

ACUTE CARE HOSPITAL FACILITY DELIVERING QUALITY SERVICES TO OUR PATIENTS AND THE COMMUNITIES WE SERVE

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 \$ 7,350,842 including grants of \$ ) (Revenue \$ 9,497,899 )

PHARMACY-CONSISTING OF CARE PROVIDED TO INPATIENTS (19%) AND OUTPATIENTS (81%) OUTPATIENT CARE INCLUDES A MAJOR PROGRAM FOR ONCOLOGY TREATMENT

4b

(Code ) (Expenses \$ 7,307,763 including grants of \$ ) (Revenue \$ 9,442,516 )

SURGERY-IS COMPRISED OF SURGERY, ENDO/MINOR PROCEURES, SAME DAY SURGERY AND ANESTHESIA TOTAL VOLUME IS 9,615 CONSISTING OF IP CARE (23%) AND OUTPATIENT CARE (77%)

4c

(Code ) (Expenses \$ 7,155,442 including grants of \$ 0 ) (Revenue \$ 9,245,698 )

INPATIENT CARE INPATIENT VOLUME CONSISTED OF 2,237 DISCHARGES AND 7,721 PATIENT DAYS WITH AN AVERAGE LENGTH OF STAY OF 3 5 DAYS BIRTHS TOTALED 409 WITH A TOTAL OF 713 OBSERVATION DAYS OF SERVICE

(Code ) (Expenses \$ 24,767,359 including grants of \$ 17,800 ) (Revenue \$ 32,000,938 )

OVERALL, INPATIENT AND OUTPATIENT CARE REPRESENT 26% AND 74% OF GROSS PATIENT REVENUE, RESPECTIVELY

4d

Other program services (Describe in Schedule O )

(Expenses \$ 24,767,359 including grants of \$ 17,800 ) (Revenue \$ 32,000,938 )




















4e

Total program service expenses

46,581,406

Form 990 (2013)

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 <b>Section 501(c)(3) organizations.</b> 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 Yes	
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 Yes	
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? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .	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? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> . . . . .	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .	24d		No
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25b		No
26	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? <i>If so, complete Schedule L, Part II</i> . . . . .	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . .	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . .	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> . . . . .	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		No
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . .	35b		
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> . . .	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> 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.	55	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
1c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	624	
2b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).		Yes	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?		Yes	
3b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.		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)?			No
4b If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			No
5b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			No
5c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?			
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?			No
6b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			
7 Organizations that may receive deductible contributions under section 170(c).			
7a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?			No
7b If "Yes," did the organization notify the donor of the value of the goods or services provided?			
7c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			No
7d If "Yes," indicate the number of Forms 8282 filed during the year.			
7e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			No
7f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			No
7g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			
7h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			
9 Sponsoring organizations maintaining donor advised funds.			
9a Did the organization make any taxable distributions under section 4966?			
9b Did the organization make a distribution to a donor, donor advisor, or related person?			
10 Section 501(c)(7) organizations. Enter			
10a Initiation fees and capital contributions included on Part VIII, line 12.			
10b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.			
11 Section 501(c)(12) organizations. Enter			
11a Gross income from members or shareholders.			
11b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).			
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?			
12b If "Yes," enter the amount of tax-exempt interest received or accrued during the year.			
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
13a Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.			
13b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.			
13c Enter the amount of reserves on hand.			
14a Did the organization receive any payments for indoor tanning services during the tax year?			No
14b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.			

Part VI

Governance, Management, and Disclosure

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

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

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filedIN , OH
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)
19	Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization JAMES MILLER 110 NORTH POPLAR STREET OXFORD, OH 450561292 (513) 524-5310

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) JOHN HARLAND MD VICE CHAIRMAN	1 00	X						0	0	0
(2) SUSAN CROSS LIPNICKEY TRUSTEE	1 00	X						0	0	0
(3) JACK MANN TRUSTEE	1 00	X						0	0	0
(4) RICHARD M NORMAN CHAIRMAN	1 00	X						0	0	0
(5) ALAN OAK SECRETARY-TREASURER	1 00	X						0	0	0
(6) WILLIAM DOUGLAS ROSS DO TRUSTEE	1 00	X						0	0	0
(7) THOMAS W SPEH TRUSTEE	1 00	X						0	0	0
(8) PAIGE WOOD TRUSTEE	1 00	X						0	0	0
(9) STEPHEN FLEE TRUSTEE	1 00	X						0	0	0
(10) RALPH R GUTOWSKI TRUSTEE	1 00	X						0	0	0
(11) BRYAN HEHEMANN CEO	40 00 40 00			X				206,702	0	25,126
(12) JOHN CLEMENTS VP & CFO	40 00 40 00			X				141,240	0	12,499
(13) PAMELA COLLINS VP & CPSO	40 00 40 00			X				126,237	0	12,674
(14) TAMMY LANGDON VP & CAO	40 00 40 00			X				66,822	0	9
(15) KENNETH KELLER PHYSICIAN	40 00					X		155,470	0	13,437
(16) BRYAN MCCULLOUGH PHYSICIAN	40 00					X		143,979	0	10,181
(17) MARK CRISTELL PT DIRECTOR	40 00					X		128,655	0	26,502



## Part VII

<b>1b</b>	<b>Sub-Total . . . . .</b>			
<b>c</b>	<b>Total from continuation sheets to Part VII, Section A . . . . .</b>			
<b>d</b>	<b>Total (add lines 1b and 1c) . . . . .</b>	1,336,575	0	150,589

**2** Total number of individuals (including but not limited to those listed in Item 1) who received more than \$100,000 of reportable compensation from the organization. 15

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

## **Section B. Independent Contractors**

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

(A) Name and business address	(B) Description of services	(C) Compensation
CPSI 6600 WALL STREET MOBILE AL 36695	COMPUTER SYSTEMS	620,971
CHRIST HOSPITAL 2139 AUBURN AVE CINCINNATI OH 45219	PHYSICIAN SERVICES	540,957
COUSIN CONSTRUCTION CO 2930 HIGHLAND AVE CINCINNATI OH 45212	CONSTRUCTION	472,315
NEACE LUKENS-COLUMBUS 400 SMITH ROAD CINCINNATI OH 45209	INSURANCE	377,727
GE HEALTHCARE PO BOX 96483 CHICAGO IL 60693	MEDICAL EQUIPMENT REPAIR	369,979
<b>2</b> Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶24		

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	319,340			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f . . . . .		319,340			
Program Service Revenue	2a	PATIENT SERVICES	Business Code 900099	60,187,052	60,187,052		
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f . . . . .		60,187,052			
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . .	29,686			29,686
4		Income from investment of tax-exempt bond proceeds . . . . .					
5		Royalties . . . . .					
6a		Gross rents	(i) Real 207,062	(ii) Personal			
		b	Less rental expenses	219,762			
		c	Rental income or (loss)	-12,700			
		d	Net rental income or (loss) . . . . .	-12,700		-119,185	106,485
7a		Gross amount from sales of assets other than inventory	(i) Securities 2,685	(ii) Other			
		b	Less cost or other basis and sales expenses	0			
		c	Gain or (loss)	2,685			
		d	Net gain or (loss) . . . . .	2,685			2,685
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .	a				
		b	Less direct expenses . . . . .	b			
		c	Net income or (loss) from fundraising events . . . . .				
9a		Gross income from gaming activities See Part IV, line 19 . . . . .	a				
		b	Less direct expenses . . . . .	b			
		c	Net income or (loss) from gaming activities . . . . .				
10a		Gross sales of inventory, less returns and allowances . . . . .	a				
		b	Less cost of goods sold . . . . .	b			
		c	Net income or (loss) from sales of inventory . . . . .				
Miscellaneous Revenue		Business Code					
11a		EHR PAYMENTS	900099	1,138,844			1,138,844
b	MANAGEMENT INCOME	900099	424,838			424,838	
c	DIETARY	722210	235,495			235,495	
d	All other revenue . . . . .		288,896			288,896	
e	Total. Add lines 11a-11d . . . . .		2,088,073				
12	Total revenue. See Instructions . . . . .		62,614,136	60,187,052	-119,185	2,226,929	

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.	17,800	17,800		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.				
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.				
4	Benefits paid to or for members.				
5	Compensation of current officers, directors, trustees, and key employees.	554,407	399,173	155,234	
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.	21,597,701	15,550,345	6,047,356	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	321,784	231,684	90,100	
9	Other employee benefits.	4,232,751	3,047,581	1,185,170	
10	Payroll taxes.	1,589,257	1,144,265	444,992	
11	Fees for services (non-employees):				
a	Management.				
b	Legal.	206,884		206,884	
c	Accounting.	106,200		106,200	
d	Lobbying.				
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.	3,466	2,426	1,040	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	6,247,914	4,373,540	1,874,374	
12	Advertising and promotion.	372,100	7,442	364,658	
13	Office expenses.	1,003,938	953,741	50,197	
14	Information technology.	1,571,448	1,021,441	550,007	
15	Royalties.				
16	Occupancy.	2,358,320	282,998	2,075,322	
17	Travel.	52,348	25,127	27,221	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	71,881	30,190	41,691	
20	Interest.	580,083	417,660	162,423	
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	3,952,582	2,845,859	1,106,723	
23	Insurance.				
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O):				
a	MEDICAL SUPPLIES	9,314,886	9,314,886		
b	BAD DEBT	6,884,054	6,815,213	68,841	
c	MISCELLANEOUS	1,039,519	93,557	945,962	
d	PROF/GL INS	323,891	6,478	317,413	
e	All other expenses				
25	Total functional expenses. Add lines 1 through 24e.	62,403,214	46,581,406	15,821,808	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

☒

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		2,325	1	4,863
	2	Savings and temporary cash investments		4,925,984	2	3,839,824
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		8,518,246	4	8,266,724
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		1,120,098	8	1,104,485
	9	Prepaid expenses and deferred charges		1,479,791	9	1,399,254
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a76,637,687			
	b	Less accumulated depreciation	10b52,108,825	26,135,207	10c	24,528,862
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		3,617,655	15	4,293,350
	16	Total assets. Add lines 1 through 15 (must equal line 34)		45,799,306	16	43,437,362
Liabilities	17	Accounts payable and accrued expenses		4,156,380	17	3,547,365
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		15,101,425	20	13,450,826
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		2,699,998	25	2,403,511
	26	Total liabilities. Add lines 17 through 25		21,957,803	26	19,401,702
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		23,841,503	27	24,035,660
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		23,841,503	33	24,035,660
	34	Total liabilities and net assets/fund balances		45,799,306	34	43,437,362

Part XI Reconciliation 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	62,614,136
2	Total expenses (must equal Part IX, column (A), line 25)	2	62,403,214
3	Revenue less expenses Subtract line 2 from line 1	3	210,922
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	23,841,503
5	Net unrealized gains (losses) on investments	5	-16,765
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	24,035,660

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

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](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization MCCULLOUGH-HYDE MEMORIAL HOSPITAL	Employer identification number 31-0650283
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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<sup>1</sup>/<sub>3</sub>% 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<sup>1</sup>/<sub>3</sub>% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2)**. (Complete Part III )
- 10

☐

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

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Non-functionally integrated

e

☐

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

f

☐

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

g

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 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	

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 MCCULLOUGH-HYDE MEMORIAL HOSPITAL	Employer identification number  31-0650283
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Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

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

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

1	Enter the amount of any excise tax incurred by the organization under section 4955	▶ \$
2	Enter the amount of any excise tax incurred by organization managers under section 4955	▶ \$
3	If the organization incurred a section 4955 tax, did it file Form 4720 for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b	If "Yes," describe in Part IV	

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

1	Enter the amount directly expended by the filing organization for section 527 exempt function activities	▶ \$
2	Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities	▶ \$
3	Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b	▶ \$
4	Did the filing organization file <b>Form 1120-POL</b> for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5	Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV	

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

Part II-A

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 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)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		6,031
j	Total. Add lines 1c through 1i.			6,031
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	SUPPORT PROVIDED THRU DUES PAID TO OHA AND AHA FOR DIRECT COMMUNICATION WITH CERTAIN MEMBERS OF FEDERAL, STATE, OR LOCAL GOVERNMENT

[illegible]

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](http://www.irs.gov/form990).**

OMB No 1545-0047

2013

Open to Public Inspection

<b>Name of the organization</b> MCCULLOUGH-HYDE MEMORIAL HOSPITAL	<b>Employer identification number</b>  31-0650283
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Part I

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

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

Part II

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

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

☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area

☐ Protection of natural habitat ☐ Preservation of a certified historic structure

☐ Preservation of open space

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

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

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

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

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

☐ Yes ☐ No

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

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

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

☐ Yes ☐ No

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

Part III

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

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

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

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

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

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

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

b Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_

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

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

b ☐ Scholarly research

c ☐ Preservation for future generations

d ☐ Loan or exchange programs

e ☐ Other
- 4 Provide a description of the organization’s collections and explain how they further the organization’s exempt purpose in Part XIII
- 5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization’s collection? 

☐ Yes ☐ No

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

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? 

☐ Yes ☐ No
- b If "Yes," explain the arrangement in Part XIII and complete the following table
- c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

	Amount
1c	
1d	
1e	
1f	
- 2a Did the organization include an amount on Form 990, Part X, line 21? 

☐ Yes ☐ No
- b If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII 

☐

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

- |  | (a)Current year | (b)Prior year | b (c)Two years back | (d)Three years back | (e)Four years back |
|--|-----------------|---------------|---------------------|---------------------|--------------------|
| 1a Beginning of year balance . . . . .                     |                 |               |                     |                     |                    |
| b Contributions . . . . .                                  |                 |               |                     |                     |                    |
| c Net investment earnings, gains, and losses               |                 |               |                     |                     |                    |
| d Grants or scholarships . . . . .                         |                 |               |                     |                     |                    |
| e Other expenditures for facilities and programs . . . . . |                 |               |                     |                     |                    |
| f Administrative expenses . . . . .                        |                 |               |                     |                     |                    |
| g End of year balance . . . . .                            |                 |               |                     |                     |                    |
- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as
- a Board designated or quasi-endowment ▶

b Permanent endowment ▶

c Temporarily restricted endowment ▶
- The percentages in lines 2a, 2b, and 2c should equal 100%
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- (i) unrelated organizations . . . . .

(ii) related organizations . . . . .

	Yes	No
3a(i)		
3a(ii)		
3b		
- b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? . . . . .
- 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 . . . . .		548,616		548,616
b Buildings . . . . .		28,614,581	15,744,304	12,870,277
c Leasehold improvements . . . . .		4,319,745	1,559,106	2,760,639
d Equipment . . . . .		42,696,190	34,805,415	7,890,775
e Other . . . . .		458,555		458,555
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) . . . . . ▶				24,528,862





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	62,817,134
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments . . . . .	2a	-16,764
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	-16,764
3	Subtract line 2e from line 1 . . . . .	3	62,833,898
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	-219,762
c	Add lines 4a and 4b . . . . .	4c	-219,762
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12 ) . . . . .	5	62,614,136

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	62,622,976
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	219,762
e	Add lines 2a through 2d . . . . .	2e	219,762
3	Subtract line 2e from line 1 . . . . .	3	62,403,214
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	0
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18 ) . . . . .	5	62,403,214

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	ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA REQUIRE MANAGEMENT TO EVALUATE TAX POSITIONS TAKEN BY THE HOSPITAL AND RECOGNIZE A TAX LIABILITY IF THE HOSPITAL HAS TAKEN AN UNCERTAIN POSITION THAT MORE LIKELY THAN NOT WOULD NOT BE SUSTAINED UPON EXAMINATION BY VARIOUS FEDERAL AND STATE TAXING AUTHORITIES. MANAGEMENT HAS ANALYZED THE TAX POSITIONS TAKEN BY THE HOSPITAL, AND HAS CONCLUDED THAT AS OF DECEMBER 31, 2013 AND 2012, THERE ARE NO UNCERTAIN POSITIONS TAKEN OR EXPECTED TO BE TAKEN THAT WOULD REQUIRE RECOGNITION OF A LIABILITY OR DISCLOSURE IN THE ACCOMPANYING FINANCIAL STATEMENTS. THE HOSPITAL IS SUBJECT TO ROUTINE AUDITS BY TAXING JURISDICTIONS, HOWEVER, THERE ARE CURRENTLY NO AUDITS FOR ANY TAX PERIODS IN PROGRESS.
PART XI, LINE 4B - OTHER ADJUSTMENTS	RENTAL EXPENSE RECLASS -219,762
PART XII, LINE 2D - OTHER ADJUSTMENTS	RENTAL EXPENSE RECLASS 219,762

[illegible]

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  
MCCULLOUGH-HYDE MEMORIAL HOSPITAL

Employer identification number  
31-0650283

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 <div><input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities</div>		
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year		
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care <div><input checked="" type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %</div>	3a Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care . . . . . <div><input type="checkbox"/> 200% <input type="checkbox"/> 250% <input checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %</div>	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 eligible for free or discounted care? . . . . .	5c	
6a	Did the organization prepare a community benefit report during the tax year? . . . . .	6a Yes	
b	If "Yes," did the organization make it available to the public? . . . . .	6b Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.		

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1) . . . .			1,085,181	396,886	688,295	1 240 %
b Medicaid (from Worksheet 3, column a) . . . . .			5,446,312	3,348,276	2,098,036	3 780 %
c Costs of other means-tested government programs (from Worksheet 3, column b) . .						
d <b>Total</b> Financial Assistance and Means-Tested Government Programs . .			6,531,493	3,745,162	2,786,331	5 020 %
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . .			137,844		137,844	0 220 %
f Health professions education (from Worksheet 5) . . . .						
g Subsidized health services (from Worksheet 6) . . . .						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j <b>Total</b> Other Benefits . . . .			137,844		137,844	0 220 %
k <b>Total.</b> Add lines 7d and 7j . .			6,669,337	3,745,162	2,924,175	5 240 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
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 IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

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

1

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

6,884,053

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

1,754,931

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

8,637,909

6

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

6

10,594,090

7

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

7

-1,956,181

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 IVManagement Companies and Joint Ventures

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

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

Part V

Facility Information

Section A. Hospital Facilities

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

Name, address, 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 )  
MCCULLOUGH-HYDE MEMORIAL HOSPITAL

Name of hospital facility or facility reporting group

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
<b>Community Health Needs Assessment</b> (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
<b>1</b> During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 . . . . . If "Yes," indicate what the CHNA report describes (check all that apply)	<b>1</b> Yes	
<b>a</b> <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
<b>b</b> <input checked="" type="checkbox"/> Demographics of the community		
<b>c</b> <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
<b>d</b> <input checked="" type="checkbox"/> How data was obtained		
<b>e</b> <input checked="" type="checkbox"/> The health needs of the community		
<b>f</b> <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
<b>g</b> <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
<b>h</b> <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
<b>i</b> <input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
<b>j</b> <input type="checkbox"/> Other (describe in Part VI)		
<b>2</b> Indicate the tax year the hospital facility last conducted a CHNA 20 <u>13</u>		
<b>3</b> 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 . . . . .	<b>3</b> Yes	
<b>4</b> Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI . . . . .	<b>4</b> Yes	
<b>5</b> Did the hospital facility make its CHNA report widely available to the public? . . . . . If "Yes," indicate how the CHNA report was made widely available (check all that apply)	<b>5</b> Yes	
<b>a</b> <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>HTTP //MHMH.ORG/ABOUT-ANNUAL.ASPX</u>		
<b>b</b> <input type="checkbox"/> Other website (list url) _____		
<b>c</b> <input checked="" type="checkbox"/> Available upon request from the hospital facility		
<b>d</b> <input type="checkbox"/> Other (describe in Part VI)		
<b>6</b> 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)		
<b>a</b> <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
<b>b</b> <input type="checkbox"/> Execution of the implementation strategy		
<b>c</b> <input type="checkbox"/> Participation in the development of a community-wide plan		
<b>d</b> <input type="checkbox"/> Participation in the execution of a community-wide plan		
<b>e</b> <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
<b>f</b> <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
<b>g</b> <input checked="" type="checkbox"/> Prioritization of health needs in its community		
<b>h</b> <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
<b>i</b> <input type="checkbox"/> Other (describe in Part VI)		
<b>7</b> 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 . . . . .	<b>7</b> Yes	
<b>8a</b> 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)? . . . . .	<b>8a</b>	No
<b>b</b> If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax? . . . . .	<b>8b</b>	
<b>c</b> 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				
<b>9</b> 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?		<b>9</b>	Yes				
<b>10</b> Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>100 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		<b>10</b>	Yes				
<b>11</b> Used FPG to determine eligibility for providing <i>discounted</i> care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>300 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		<b>11</b>	Yes				
<b>12</b> Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply)		<b>12</b>	Yes				
<b>a</b> <input checked="" type="checkbox"/> Income level							
<b>b</b> <input type="checkbox"/> Asset level							
<b>c</b> <input type="checkbox"/> Medical indigency							
<b>d</b> <input type="checkbox"/> Insurance status							
<b>e</b> <input type="checkbox"/> Uninsured discount							
<b>f</b> <input type="checkbox"/> Medicaid/Medicare							
<b>g</b> <input type="checkbox"/> State regulation							
<b>h</b> <input type="checkbox"/> Residency							
<b>i</b> <input type="checkbox"/> Other (describe in Part VI)							
<b>13</b> Explained the method for applying for financial assistance? . . . . .		<b>13</b>	Yes				
<b>14</b> Included measures to publicize the policy within the community served by the hospital facility? . . . . . If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		<b>14</b>	Yes				
<b>a</b> <input type="checkbox"/> The policy was posted on the hospital facility's website							
<b>b</b> <input checked="" type="checkbox"/> The policy was attached to billing invoices							
<b>c</b> <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms							
<b>d</b> <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices							
<b>e</b> <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility							
<b>f</b> <input checked="" type="checkbox"/> The policy was available upon request							
<b>g</b> <input type="checkbox"/> Other (describe in Part VI)							
Billing and Collections							
<b>15</b> 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? . . . . .		<b>15</b>	Yes				
<b>16</b> 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							
<b>a</b> <input checked="" type="checkbox"/> Reporting to credit agency							
<b>b</b> <input checked="" type="checkbox"/> Lawsuits							
<b>c</b> <input type="checkbox"/> Liens on residences							
<b>d</b> <input type="checkbox"/> Body attachments							
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Section C)							
<b>17</b> 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? . . . . .					<b>17</b>	Yes	
If "Yes," check all actions in which the hospital facility or a third party engaged							
<b>a</b> <input checked="" type="checkbox"/> Reporting to credit agency							
<b>b</b> <input type="checkbox"/> Lawsuits							
<b>c</b> <input type="checkbox"/> Liens on residences							
<b>d</b> <input type="checkbox"/> Body attachments							
<b>e</b> <input type="checkbox"/> 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	Yes	
Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? . . . . .		
If "No," indicate why		
a	<input type="checkbox"/>	
The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/>	
The hospital facility's policy was not in writing		
c	<input type="checkbox"/>	
The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/>	
Other (describe in Part VI)		

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

20		
Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care		
a	<input type="checkbox"/>	
The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input type="checkbox"/>	
The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input type="checkbox"/>	
The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input checked="" type="checkbox"/>	
Other (describe in Part VI)		
21		No
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? . . . . .		
If "Yes," explain in Part VI		
22		No
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? . . . . .		
If "Yes," explain in Part VI		



**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.

[illegible]

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? \_\_\_\_\_

Name and address	Type of Facility (describe)
1	
2	
3	
4	
5	
6	
7	
8	
9	
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 II, COMMUNITY BUILDING ACTIVITIES	MCCULLOUGH-HYDE MEMORIAL HOSPITAL PROMOTES HEALTH AND WELLBEING IN OUR COMMUNITY IN NUMEROUS WAYS NOT LISTED IN THE COMMUNITY EVENTS AND PROGRAMS SECTION OF THE 990 EXAMPLES INCLUDE 1 MHMH HELPED PROMOTE WELLNESS BY PROVIDING MEETING SPACE TO THE INFANT/CHILD LOSS BEREAVEMENT SUPPORT GROUP AND FIBROMYALGIA SUPPORT GROUP 2 MHMH ASSISTED OUR LOCAL SCHOOL DISTRICT WITH IDENTIFIEDHEALTH/WEELLNESS NEEDS EXAMPLES INCLUDE A DEVELOPED AND PROVIDED CRISIS CARDS FOR ALL 8TH GRADERS AND ALL COUNSELORS IN THE SCHOOL DISTRICT B DEVELOPED CURRICULUM THAT COMBINED TRADITIONAL LEARNING WITH EXERCISE TO HELP FIGHT OBESITY IN OUR ELEMENTARY STUDENTS C DEVELOPED AND HELD MINI HEALTH SEMINARS FOR 6TH GRADE STUDENTS ON SLEEP, NUTRITION, EXERCISE AND MENTAL HEALTH 3 MHMH PROVIDED OFFICE SPACE AND MEETING SPACE FOR THE OXFORD COLLEGE CORNER CLINIC, WHICH IS A CLINIC THAT PROVIDES FREE HEALTH CARE TO THE UNINSURED AND UNDERINSURED ADULTS IN OUR COMMUNITY 4 MHMH IMPROVED THEIR EMPLOYEE WELLNESS PROGRAM BY A IMPLEMENTING A HEALTH RISK ASSESSMENT FOR THEIR EMPLOYEES TO IDENTIFY HEALTH NEEDS/CONCERNS IN OUR EMPLOYEE POPULATION B OFFERING MAMMOGRAMS AND PROSTATE SCREENING TO APPROPRIATE EMPLOYEES FREE OF CHARGE C INCENTIVIZING EMPLOYEES TO ADOPT HEALTHIER BEHAVIOR
PART III, LINE 4	THE HOSPITAL HAS A DETAILED FINANCIAL ASSISTANCE POLICY WHICH STATES THAT TO PARTICIPATE IN CHARITY CARE CANDIDATES MUST COOPERATE FULLY IN ADDITION THE HOSPITAL EDUCATES PATIENTS WITH LIMITED ABILITY TO PAY REGARDING FINANCIAL ASSISTANCE FOR THIS REASON THE ORGANIZATION BELIEVES THAT IT ACCURATELY CAPTURES ALL CHARITY CARE DEDUCTIONS PROVIDED ACCORDING TO THE FINANCIAL ASSISTANCE POLICY AND THE AMOUNT OF BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE POLICY IS NEGLIGIBLE

Form and Line Reference	Explanation
PART III, LINE 8	THE SOURCE USED TO DETERMINE THE AMOUNT OF MEDICARE ALLOWABLE COSTS REPORTED FOR PART III, SECTION B, MEDICARE HAS BEEN PROVIDED FROM THE YEAR ENDED DECEMBER 31, 2012 REPORT HOSPITAL STATEMENT OF REIMBURSABLE COST
PART III, LINE 9B	ONCE IT HAS BEEN DETERMINED THAT A PATIENT QUALIFIES FOR CHARITY CARE/FINANCIAL ASSISTANCE, COLLECTION PRACTICES ARE STOPPED

Form and Line Reference	Explanation
PART VI, LINE 2	MCCULLOUGH-HYDE USES A PROCESS OF ASSESSMENT TO GAUGE THE HEALTHCARE NEEDS OF THE COMMUNITY WE SERVE THE COMPONENTS OF THAT PROCESS FOR 2011 WERE 1 A NINE-MONTH STRATEGIC PLANNING PROCESS WITH INPUT FROM VARIOUS STAKEHOLDER GROUPS INCLUDING THE MEDICAL STAFF, THE LOCAL COMMUNITY FOUNDATION, THE LOCAL FREE MEDICAL CLINIC (OXFORD COLLEGE CORNER CLINIC), THE LOCAL SOCIAL NEEDS UMBRELLA ORGANIZATION (FAMILY RESOURCE CENTER), AND SEVERAL SMALLER FOCUS GROUPS OF PATIENTS, COMMUNITY LEADERS, AND NON-PATIENTS 2 ALL UNINSURED EMERGENCY DEPARTMENT PATIENTS ARE ASSESSED BY STAFF AND REFERRED TO THE LOCAL FREE MEDICAL CLINIC FOR FOLLOW-UP CARE AND ASSISTANCE, WHEN APPROPRIATE THAT DATA INFORMS POTENTIAL EDUCATION AND SERVICE PROGRAMS THAT THE HOSPITAL OFFERS TO THE COMMUNITY 3 ON-GOING PARTNERSHIPS WITH MIAMI UNIVERSITY, THE CITY OF OXFORD, AND THE LOCAL SCHOOL DISTRICT TO JOINTLY ADDRESS SPECIFIC HEALTH CARE NEEDS OF THEIR RESPECTIVE POPULATIONS 4 AN ON-GOING, LESS FORMAL PROGRAM, GATHERS INPUT FROM MINISTERS IN OUR CHAPLAIN PROGRAM AND FROM OUR MANY VOLUNTEERS
PART VI, LINE 3	FINANCIAL COUNSELORS ARE LOCATED IN THE PATIENT ACCESS AREAS AND PATIENTS ARE OFTEN REFERRED TO THEM AFTER THE COMPLETION OF THE REGISTRATION PROCESS IN THE EVENT THAT FINANCIAL COUNSELORS ARE NOT AVAILABLE PATIENT ACCESS STAFF IS EDUCATED ON THE CHARITY CARE/FINANCIAL ASSISTANCE POLICIES AND HAVE APPLICATIONS AVAILABLE CHARITY CARE INFORMATION IS ALSO INCLUDED ON OUR PATIENT STATEMENTS ALL CUSTOMER SERVICE REPRESENTATIVES ARE FAMILIAR WITH OUR POLICIES AND CAN SPEAK TO OUR CUSTOMERS ABOUT CHARITY CARE/FINANCIAL ASSISTANCE ELIGIBILITY BROCHURES EXPLAINING CHARITY CARE/FINANCIAL ASSISTANCE ARE ALSO AVAILABLE IN VARIOUS LOCATIONS THROUGHOUT THE HOSPITAL

Form and Line Reference	Explanation
PART VI, LINE 4	<p>MCCULLOUGH HYDE MEMORIAL HOSPITAL SERVES A DIVERSE DEMOGRAPHIC INCLUDING THE NORTHWESTERN CORNER OF BUTLER COUNTY, OHIO, THE SOUTHWESTERN CORNER OF PREBLE COUNTY, OHIO AND THE COUNTIES OF FRANKLIN, UNION AND FAYETTE IN INDIANA THE MAIN CAMPUS IS LOCATED IN OXFORD, OHIO, THE HOME OF MIAMI UNIVERSITY WITH A POPULATION RANGING TO NEARLY 30,000 DURING THE SCHOOL YEAR TO HALF THAT NUMBER DURING THE SUMMER MHMH COUNTS ITS PRIMARY SERVICE AREA AS THE FOLLOWING OXFORD, OH - 45056 - POPULATION 29,739 BROOKVILLE, IN - 47012 - POPULATION 10,455 COLLEGE CORNER, OH - 45003 - POPULATION 971 EATON, OH - 45320 - POPULATION 15,354 SOMERSVILLE, OH - 45064 - 2,963 CAMDEN, OH - 45311 - 7,215 LIBERTY, IN - 47353 - 5,698 WEST COLLEGE CORNER, IN - 47003 - 834 TOTAL PRIMARY SERVICE AREA POPULATION = 73,229 AND ITS PRIMARY AND ITS SECONDARY SERVICE AREAS ARE THE FOLLOWING HAMILTON, OH - 45013 - 54,814 CONNERSVILLE, IN - 47331 - 23,438 METAMORA, IN - 47030 - 1,631 OKEANA, OH - 45053 - 3,712 TOTAL SECONDARY SERVICE AREA POPULATION = 83,595 IN TERMS OF SOCIO-ECONOMIC DEMOGRAPHICS, THE EDUCATIONAL ATTAINMENT IS LOWER THAN COUNTY, STATE AND NATIONAL AVERAGES AND THE UNEMPLOYMENT HIGHER THAN COUNTY, STATE AND NATIONAL AVERAGES IN ALL OF THE UNINCORPORATED AND RURAL AREAS SERVED BY MHMH ALL OF THE AREAS IN INDIANA AND THE RURAL AREAS IN PREBLE AND BUTLER COUNTIES (CAMDEN, SOMERVILLE) ARE DESIGNATED AS HEALTH PROFESSIONAL SHORTAGE AREAS BY THE NATIONAL HEALTH SERVICE CORPS MCCULLOUGH HYDE HAS RECRUITED, SUPPORTED AND WILL CONTINUE TO RECRUIT AND SUPPORT BOTH PRIMARY CARE PHYSICIANS AND SPECIALISTS TO MEET THE NEEDS OF RESIDENTS OF THESE COMMUNITIES</p>

OMB No 1545-0047

**▶ Attach to Form 990**

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

## Open to Public Inspection

31-0650283

**2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

**3** Enter total number of other organizations listed in the line 1 table. . . . . 

Part III

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

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

Part IV

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

Return Reference	Explanation
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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](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
MCCULLOUGH-HYDE MEMORIAL HOSPITAL

Employer identification number  
31-0650283

Part I

Questions Regarding Compensation

	Yes	No
<div><div>1a</div><div>Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items</div><div><div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div><div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div></div>		
<div><div>b</div><div>If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain</div></div>	1b	
<div><div>2</div><div>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?</div></div>	2	
<div><div>3</div><div>Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III</div><div><div><div><input type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div></div><div><div><input checked="" type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div></div></div>		
<div><div>4</div><div>During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization</div></div>		
<div><div>a</div><div>Receive a severance payment or change-of-control payment?</div></div>	4a	Yes
<div><div>b</div><div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div></div>	4b	Yes
<div><div>c</div><div>Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III</div>	4c	No
<div><div></div><div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div></div>		
<div><div>5</div><div>For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of</div></div>		
<div><div>a</div><div>The organization?</div></div>	5a	No
<div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 5a or 5b, describe in Part III</div>	5b	No
<div><div>6</div><div>For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of</div></div>		
<div><div>a</div><div>The organization?</div></div>	6a	No
<div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 6a or 6b, describe in Part III</div>	6b	No
<div><div>7</div><div>For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III</div></div>	7	No
<div><div>8</div><div>Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III</div></div>	8	No
<div><div>9</div><div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?</div></div>	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)BRYAN HEHEMANN CEO	(i)	203,702	3,000	0	0	25,126	231,828	0
	(ii)	0	0	0	0	0	0	0
(2)JOHN CLEMENTS VP & CFO	(i)	141,240	0	0	0	12,499	153,739	0
	(ii)	0	0	0	0	0	0	0
(3)KENNETH KELLER PHYSICIAN	(i)	155,470	0	0	0	13,437	168,907	0
	(ii)	0	0	0	0	0	0	0
(4)BRYAN MCCULLOUGH PHYSICIAN	(i)	143,979	0	0	0	10,181	154,160	0
	(ii)	0	0	0	0	0	0	0
(5)MARK CRISTELL PT DIRECTOR	(i)	121,098	7,557	0	0	26,502	155,157	0
	(ii)	0	0	0	0	0	0	0
(6)MATTHEW DAGGY PHYSICIAN	(i)	238,514	0	0	0	23,652	262,166	0
	(ii)	0	0	0	0	0	0	0
(7)DONALD WATSON PHARMACY DIRECTOR	(i)	128,956	0	0	0	26,509	155,465	0
	(ii)	0	0	0	0	0	0	0

Part IIISupplemental 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, LINES 4A-B	BRYAN HEHEMANN - LIFE INSURANCE POLICY - PAID UP POLICY AT 65 FACE AMOUNT IS 100K WITH CASH SURRENDER VALUE THERE IS AN ANNUAL PREMIUM OF \$8,874 WITH THE VALUE AT 12/31/13 AT \$54,377 TAMMY LANGDON - SEVERANCE - POSITION ELIMINATION EFFECTIVE 1/11/13 - \$60,916

Schedule K  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

▶ Attach to Form 990. ▶ See separate instructions.

▶ Information about Schedule K (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
MCCULLOUGH-HYDE MEMORIAL HOSPITAL

Employer identification number  
31-0650283

Part I

Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	BUTLER COUNTY-SERIES 2009A	31-6000061		09-19-2013	10,314,685	REFUNDING OF 2009 SERIES		X		X		X
B	BUTLER COUNTY-SERIES 2009B	31-6000061		09-19-2013	3,131,352	REFUNDING OF 2009 SERIES		X		X		X

Part II

Proceeds

		A	B	C	D				
1	Amount of bonds retired	10,437,650	3,158,524						
2	Amount of bonds legally defeased								
3	Total proceeds of issue	10,314,685	3,131,352						
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	64,196	19,490						
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	187,162	46,661						
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2011	2011						
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X		X					
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?	X		X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III

Private Business Use

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

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

Cat No 50193E

Schedule K (Form 990) 2013

Part III

Private Business Use (Continued)

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

Part IV

Arbitrage

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

Part IV

Arbitrage (Continued)

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

Part V

Procedures To Undertake Corrective Action

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

Part VI

Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Explanation
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SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury

Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization

MCCULLOUGH-HYDE MEMORIAL HOSPITAL

Employer identification number

31-0650283

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	
FORM 990, PART VI, SECTION B, LINE 12C	ANNUALLY THE CORPORATE COMPLIANCE OFFICER REQUIRES THE OFFICERS, TRUSTEES, DIRECTORS AND KEY EMPLOYEES TO DISCLOSE IN WRITING ANY INTEREST THAT COULD GIVE RISE TO CONFLICTS
FORM 990, PART VI, SECTION B, LINE 15	THE PROCESS FOR DETERMINING COMPENSATION INCLUDES INDEPENDENT CONSULTANT INPUT, WRITTEN EMPLOYMENT CONTRACT, COMPENSATION SURVEY STUDY AND APPROVAL BY THE BOARD
FORM 990, PART VI, SECTION C, LINE 19	UPON INDIVIDUAL REQUEST
FORM 990, PART IX, LINE 11G	OTHER PROGRAM SERVICE EXPENSES 4,373,540 MANAGEMENT AND GENERAL EXPENSES 1,874,374 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 6,247,914
FORM 990 PAGE 10 PART X LINE 11G	CONTRACTED WAGES = \$2,305,387 PURCHASED SERVICES = \$4,141,954

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](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
MCCULLOUGH-HYDE MEMORIAL HOSPITAL

Employer identification number  
31-0650283

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

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
(1) MCCULLOUGH-HYDE MEMORIAL HOSPITAL ENDOWMENT  110 NORTH POPLAR  OXFORD, OH 45056 23-7374256	OBTAIN CHARITABLE CONTRIBUTIONS, MANAGE THEM AND DISBURSE BY BOARD DIRECTION	OH	501(C)(3)	LINE 11A, I	N/A		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) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

Complete if the organization answered "Yes" 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	No

Part V

Transactions With Related Organizations

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

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

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

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

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

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

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

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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

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

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

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

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

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

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

Yes

No

1a

No

1b

No

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

No

1i

No

1j

No

1k

No

1l

No

1m

No

1n

No

1o

No

1p

No

1q

Yes

1r

No

1s

No

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) MCCULLOUGH-HYDE MEMORIAL HOSPITAL ENDOWMENT	C	273,152	
(2) MCCULLOUGH-HYDE MEMORIAL HOSPITAL ENDOWMENT	Q		

Schedule R (Form 990) 2013

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

[illegible]

Part VII

Supplemental Information

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

Return Reference	Explanation
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# **MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.**

## **FINANCIAL STATEMENTS**

**DECEMBER 31, 2013 AND 2012**

*CPA ADVISORS*



# MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.

## TABLE OF CONTENTS DECEMBER 31, 2013 AND 2012

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## REPORT OF INDEPENDENT AUDITORS

To the Board of Directors  
McCullough-Hyde Memorial Hospital, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of McCullough-Hyde Memorial Hospital, Inc. (the "Hospital"), which comprise the balance sheets as of December 31, 2013 and 2012, and the related 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 financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal 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 financial statements.

Board of Directors  
McCullough-Hyde Memorial Hospital

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Hospital as of December 31, 2013 and 2012, and its results of operations, changes in net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.



Columbus, Ohio  
April 17, 2014



# MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.

## BALANCE SHEETS DECEMBER 31, 2013 AND 2012

---

### ASSETS

	2013	2012
<b>Current assets</b>		
Cash and cash equivalents	\$ 3,844,687	\$ 4,928,310
Patient accounts receivable, net of estimated allowance for doubtful accounts of \$8,059,531 in 2013 and \$7,973,000 in 2012	8,266,724	8,518,246
Due from Trust	2,265,495	1,912,570
Inventory	1,104,485	1,120,098
Prepaid expenses and other	1,399,254	1,479,791
Total current assets	16,880,645	17,959,015
<b>Assets whose use is limited</b>	987,543	997,602
<b>Property and equipment, net</b>	24,528,862	26,135,206
<b>Other assets</b>	1,040,312	707,483
Total assets	<u>\$ 43,437,362</u>	<u>\$ 45,799,306</u>

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*See accompanying notes to financial statements.*

# MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.

## BALANCE SHEETS DECEMBER 31, 2013 AND 2012

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### LIABILITIES AND NET ASSETS

	2013	2012
<b>Current liabilities</b>		
Current maturities of long-term debt	\$ 2,455,292	\$ 2,326,463
Accounts payable and accrued expenses	1,527,356	2,383,252
Salaries and wages payable	691,240	610,595
Accrued paid time off	1,328,769	1,162,533
Other liabilities	1,702,188	2,031,952
Estimated third-party settlements	701,323	536,796
Total current liabilities	8,406,168	9,051,591
<b>Long-term liabilities</b>		
Other liabilities	-	131,250
Long-term debt - less current maturities	10,995,534	12,774,962
Total long-term liabilities	10,995,534	12,906,212
Total liabilities	19,401,702	21,957,803
<b>Unrestricted net assets</b>	24,035,660	23,841,503
Total liabilities and net assets	\$ 43,437,362	\$ 45,799,306

---

*See accompanying notes to financial statements.*

# MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.

## STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
<b>Revenues</b>		
Net patient service revenue	\$ 60,187,052	\$ 59,762,684
Less provision for bad debts	(6,884,053)	(6,851,141)
Net patient service revenue less provision for bad debts	53,302,999	52,911,543
Other revenue	2,521,910	2,018,945
 Total revenues	 55,824,909	 54,930,488
<b>Operating expenses</b>		
Salaries and wages	22,151,726	22,262,721
Employee benefits	6,143,794	5,745,192
Contracted wages	2,210,387	2,305,388
Purchased services	6,297,848	6,279,120
Supplies	10,211,174	9,304,724
Other expenses	2,771,132	2,681,575
Utilities	997,370	954,947
Insurance	390,409	434,101
Depreciation and amortization	3,985,000	4,383,598
Interest	580,084	711,634
 Total operating expenses	 55,738,924	 55,063,000
 <b>Operating gain (loss)</b>	 85,985	 (132,512)
<b>Nonoperating income</b>		
Investment income	12,922	20,054
Gain on disposal of assets	2,685	4,390
Unrestricted gifts	92,565	157,468
Total nonoperating income	108,172	181,912
 <b>Excess of revenues over expenses/ Change in unrestricted net assets</b>	 194,157	 49,400
 <b>Unrestricted net assets - beginning of year</b>	 23,841,503	 23,792,103
 <b>Unrestricted net assets - end of year</b>	 \$ 24,035,660	 \$ 23,841,503

*See accompanying notes to financial statements.*

# MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.

## STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
<b>Cash flows from operating activities</b>		
Change in unrestricted net assets	\$ 194,157	\$ 49,400
Adjustments to reconcile change in unrestricted net assets to net cash flows provided by operating activities		
Depreciation and amortization	3,985,000	4,383,598
Bad debts	6,884,053	6,851,141
Gain on disposal of assets	(2,685)	(4,390)
Changes in operating assets and liabilities		
Patient accounts receivable	(6,632,531)	(7,162,615)
Inventory	15,613	56,483
Prepaid expenses and other	80,537	(177,521)
Other assets	(249,323)	393,718
Due from Trust	(352,925)	(232,826)
Accounts payable and accrued expenses	(855,896)	1,053,170
Salaries and wages payable	80,645	107,174
Accrued paid time off	166,236	(122,546)
Other liabilities	(461,014)	1,039,825
Estimated third-party settlements	164,527	80,050
Net cash flow from operating activities	3,016,394	6,314,661
<b>Cash flows from investing activities</b>		
Change in assets whose use is limited	10,059	(997,602)
Proceeds from sale of equipment	2,685	4,390
Purchase of property and equipment	(1,901,122)	(1,661,885)
Net cash flow from investing activities	(1,888,378)	(2,655,097)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of long-term debt	13,446,037	-
Bond issuance costs	(83,686)	-
Principal payments on long-term debt	(15,506,018)	(2,227,469)
Principal payments on capital leases	(67,972)	-
Net cash flow from financing activities	(2,211,639)	(2,227,469)
Change in cash and cash equivalents	(1,083,623)	1,432,095
<b>Cash and cash equivalents - beginning of year</b>	4,928,310	3,496,215
<b>Cash and cash equivalents - end of year</b>	\$ 3,844,687	\$ 4,928,310
<b>Supplemental disclosures of cash flow information</b>		
Cash paid during the year for interest	\$ 580,084	\$ 711,634
Acquisitions under capital leases	477,354	-
Equipment acquired under purchase commitment contract	294,000	-

*See accompanying notes to financial statements.*

# **MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.**

## **NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012**

---

### **1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES**

#### Organization

McCullough-Hyde Memorial Hospital, Inc. (the "Hospital") is an Ohio not-for-profit corporation which operates a 60 bed acute care hospital facility in Oxford, Ohio. The Hospital offers inpatient and outpatient health care services to patients in the Oxford vicinity.

The McCullough-Hyde Memorial Hospital Trust (the "Trust") was specifically organized to provide financial support to the Hospital. Under the Hospital's by-laws, the Hospital's Board shall consist of the same individuals serving on the Board of Trustees for the Trust.

The accompanying financial statements present only the financial position, operations, changes in net assets and cash flows of the Hospital. As the Trust controls the Hospital, the Hospital's financial statements are consolidated into the Trust's consolidated financial statements in a separate report.

#### Use of Estimates

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

#### Cash and Cash Equivalents

For the purposes of the accompanying financial statements, the Hospital considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Financial instruments which potentially subject the Hospital to concentrations of credit risk consist principally of cash and cash equivalents and patient accounts receivable.

The Hospital places its cash and cash equivalents with high credit quality financial institutions. The Hospital periodically maintains cash balances which are in excess of those insured by the Federal Depository Insurance Corporation. The Hospital has not experienced losses in such accounts. The Hospital believes they are not exposed to any significant credit risk on cash and cash equivalents.

# **MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.**

## **NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012**

---

### **Inventories**

Inventories, which consist of pharmaceutical, medical and surgery supplies, are stated at the lower of cost or market determined by the first-in, first-out method.

### **Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation. Depreciation and amortization are provided over the estimated useful lives of the assets using the straight-line method. The Hospital capitalizes all equipment (1) costing more than \$2,000 and (2) having a useful life of two or more years.

### **Patient Accounts Receivable and Net Patient Service Revenue**

The Hospital recognizes net patient service revenues on the accrual basis of accounting in the reporting period in which services are performed based on the current gross charge structure, less actual adjustments and estimated discounts for contractual allowances, principally for patients covered by Medicare, Medicaid, and managed care and other health plans. Gross patient service revenue is recorded in the accounting records using the established rates for the type of service provided to the patient. The Hospital recognizes an estimated contractual allowance to reduce gross patient charges to the estimated net realizable amount for services rendered based upon previously agreed-to rates with a payor. The Hospital utilizes the patient accounting system to calculate contractual allowances on a payor-by-payor basis based on the rates in effect for each primary third-party payor. Another factor that is considered and could further influence the level of the contractual reserves includes the status of accounts receivable balances as inpatient or outpatient. The Hospital's management continually reviews the contractual estimation process to consider and incorporate updates to laws and regulations and the frequent changes in managed care contractual terms that result from contract renegotiations and renewals.

Payors include federal and state agencies, including Medicare and Medicaid, managed care health plans, commercial insurance companies, employers, and patients. These third-party payors provide payments to the Hospital at amounts different from its established rates based on negotiated reimbursement agreements. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and fee schedule payments. Retroactive adjustments 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.

# MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

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### Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts based on the Hospital's evaluation of its major payor sources of revenue, the aging of the accounts, historical losses, current economic conditions, and other factors unique to their service area and the healthcare industry. For receivables associated with self-pay payments, 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 Hospital 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 December 31, 2013 and 2012 allowance for doubtful accounts of \$8,059,531 and \$7,973,000, respectively, relates to reserves for self-pay balances.

The allowance for doubtful accounts represents 90 percent of self-pay accounts receivable at December 31, 2013 and 2012, respectively. The Hospital's self-pay provision for bad debts increased \$32,912 from \$6,851,141 in 2012 to \$6,884,053 in 2013. The increase in the provision for bad debts was a result of increased self-pay revenue. Bad debt allowances at December 31, 2013 increased due to the increased balance of self-pay accounts at year end.

The Hospital does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant write-offs from third-party payors relating to doubtful accounts.

# **MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.**

## **NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012**

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### **Physician Recruitment Agreements and Physician Advances Receivable**

Consistent with the Hospital's policy on physician relocation and recruitment, the Hospital provides income guarantees to certain physicians who agree to relocate to the community to fill a need in the Hospital's service area and commit to remain in practice for a specified term. Under such agreements, the Hospital is required to make payments to the physicians in excess of amounts earned in their respective practices up to the amount of the income guarantee. Income guarantee periods are generally two years. Such payments are recoverable from the physicians in the event that their commitment period is not met, which is typically three years. The Hospital also advances monies to physicians under various loan agreements. These loans are unsecured and are forgiven systematically in accordance with the loan agreements. Should the arrangement between the Hospital and the physician be terminated prior to the end date agreed upon by both parties, the Hospital will pursue collection of any outstanding advances.

The Hospital recorded a liability for guarantees of approximately \$132,000 and \$263,000 in other liabilities at December 31, 2013 and 2012 for the estimated obligation to the Hospital under these arrangements with an offsetting asset recorded in prepaid expenses and other within the accompanying balance sheets.

### **Income Taxes**

The Hospital is exempt from income taxes under Section 501(c)(3) of the United States Internal Revenue Code. Accordingly, no provision for income taxes has been recorded in the financial statements.

The Hospital has filed its federal and state income tax returns for periods through December 31, 2012. These income tax returns are generally open to examination by the relevant taxing authorities for a period of three years from the later of the date the return was filed or its due date (including approved extensions).

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Hospital and recognize a tax liability if the Hospital has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by the Hospital, and has concluded that as of December 31, 2013 and 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying financial statements. The Hospital is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.



# MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

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### Excess of Revenues over Expenses

The statements of operations and changes in net assets include excess of revenues over expenses as its performance indicator. Included in excess of revenues over expenses are investment income, unrestricted gifts and gain on disposal of assets.

### Charity Care

The Hospital provides care without charge or at amounts less than its established rates to patients who meet certain criteria under its charity care policy. Because the Hospital does not collect amounts deemed to be charity care, they are not reported as revenue.

Of the Hospital's total reported expenses (approximately \$55,739,000 and \$55,063,000 during 2013 and 2012, respectively), an estimated \$712,000 and \$990,000 arose from providing services to charity patients during 2013 and 2012, respectively. The estimated costs of providing charity services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on the Hospital's total expenses divided by gross patient service revenue. The Hospital participates in the Hospital Care Assurance Program which provides for additional payments to hospitals that provide a disproportionate share of uncompensated services to the indigent and uninsured. Net amounts paid under this program totaled approximately \$27,000 and \$91,000 for 2013 and 2012, respectively, and are reported as net patient service revenue in the financial statements.

### Concentrations of Credit Risk

The Hospital grants credit without collateral to patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payers in 2013 and 2012 follows:

	2013		2012	
	Accounts Receivable	Gross Revenue	Accounts Receivable	Gross Revenue
Commercial	37%	45%	34%	45%
Medicare	20%	38%	22%	39%
Medicaid	8%	10%	10%	9%
Self-pay	35%	7%	34%	7%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

# **MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.**

## **NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012**

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### **Electronic Health Records (EHR) Incentive Payments**

The Hospital receives EHR incentive payments under the Medicare program. To qualify for these payments, the Hospital must meet “meaningful use” criteria that become more stringent over time. The Hospital periodically submits and attests to its use of certified EHR technology, satisfaction of meaningful use objectives, and various patient data. These submissions generally include performance measures for each annual EHR reporting period (ending on September 30<sup>th</sup>). The related EHR incentive payments are paid out over a four year transition schedule and are based upon data that is captured in the Hospital’s cost reports. The payment calculation is based upon an initial amount as adjusted for discharges, Medicare utilization using inpatient days multiplied by a factor of total charges excluding charity care to total charges, and a transitional factor that ranges from 100% in first payment year and thereby decreasing by 25% each payment year until it is completely phased out in the fifth year.

The Hospital recognizes EHR incentive payments as grant income when there is reasonable assurance that the Hospital will comply with the conditions of the meaningful use objectives and any other specific grant requirements. In addition, the financial statement effects of the grants must be both recognizable and measurable. During 2013 and 2012, the Hospital recognized approximately \$1,139,000 and \$1,008,000, respectively, in EHR incentive payments as grant income using the cliff recognition method. Under the cliff recognition method, the Hospital records income at the end of EHR reporting period in which compliance is achieved. EHR incentive income is included in other revenue in the statements of operations and changes in net assets. EHR incentive income recognized is based on management’s estimate and amounts are subject to change, with such changes impacting operations in the period the changes occur.

Receipt of these funds is subject to the fulfillment of certain obligations by the Hospital as prescribed by the program, subject to future audits and may be subject to repayment upon a determination of noncompliance.

### **Subsequent Events**

The Hospital has evaluated events or transactions occurring subsequent to the balance sheet date for recognition and disclosure in the accompanying financial statements through the date the financial statements are issued, which is April 17, 2014.

# MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

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### 2. NET PATIENT SERVICE REVENUES

Total gross patient service revenues, contractual adjustments and allowances and charity care for the years ended December 31, were as follows:

	2013	2012
Gross patient service revenue		
Inpatient revenue	\$ 36,400,561	\$ 35,912,457
Outpatient revenue	100,993,698	92,030,902
Total gross patient service revenue	137,394,259	127,943,359
Deductions from revenue		
Contractual allowances	75,452,276	65,880,013
Charity care	1,754,931	2,300,662
Provision for bad debts	6,884,053	6,851,141
Total deductions from revenue	84,091,260	75,031,816
Total net patient service revenue	\$ 53,302,999	\$ 52,911,543

The Hospital provides charity care to patients who meet certain criteria under the Hospital's charity care policy without charge or at amounts less than established rates.

A summary of the payment arrangements with major third-party payors follows:

#### Medicare

Inpatient acute care services rendered to Medicare program beneficiaries and defined capital costs related to Medicare beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classifications system that is based on clinical, diagnostic, and other factors. Medicare outpatient services are primarily paid on a prospective basis. The Hospital's Medicare cost reports have been audited and finalized by the Medicare fiscal intermediary through 2010.

#### Medicaid

Inpatient and outpatient services rendered to the Ohio Medicaid program beneficiaries are paid at prospectively determined rates per case of services. Capital related costs are reimbursed on a reasonable cost basis. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicaid fiscal intermediary. The Hospital's Medicaid cost reports have been audited and finalized by the Medicaid fiscal intermediary through 2007. Inpatient and outpatient services rendered to the Indiana Medicaid program beneficiaries are reimbursed under prospectively determined rates per discharge and standard flat fees based on services provided, respectively.

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# **MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.**

## **NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012**

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Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. Compliance with such laws and regulations can be subject to regulatory action including fines, penalties and exclusions from Medicare and Medicaid programs.

### **3. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The frame work for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Hospital has the ability to access.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

There were no transfers between hierarchy levels during 2013 or 2012. The Hospital's policy is to recognize transfers, if any, between levels as of the actual date of the event or change in circumstances.

# MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

Following is a description of the valuation methodologies used for assets measured at fair value as of December 31, 2013 and 2012. Assets measured at fair value on a recurring basis as of December 31, 2013 and 2012 are as follows:

*Mutual Funds:* Valued at the daily closing prices as reported by the fund. Mutual funds held by the Hospital are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Hospital are deemed to be actively traded.

*Corporate Bonds:* Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Assets measured at fair value on a recurring basis as of December 31, 2013 are as follows:

	Level 1	Level 2	Level 3	Total
Assets				
Fixed income mutual funds	\$ 913,183	\$ -	\$ -	\$ 913,183
Financial services sector corporate bonds	-	25,780	-	25,780
Total assets at fair value	<u>\$ 913,183</u>	<u>\$ 25,780</u>	<u>\$ -</u>	938,963
Cash and cash equivalents				48,580
Total assets whose use is limited				<u>\$ 987,543</u>

Assets measured at fair value on a recurring basis as of December 31, 2012 are as follows:

	Level 1	Level 2	Level 3	Total
Assets				
Fixed income mutual funds	\$ 655,824	\$ -	\$ -	\$ 655,824
Financial services sector corporate bonds	-	26,322	-	26,322
Total assets at fair value	<u>\$ 655,824</u>	<u>\$ 26,322</u>	<u>\$ -</u>	682,146
Cash and cash equivalents				315,456
Total assets whose use is limited				<u>\$ 997,602</u>

# MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

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### 4. ASSETS WHOSE USE IS LIMITED

The composition of assets whose use is limited as of December 31, 2013 and 2012 is set forth in the following table:

	2013	2012
Cash and cash equivalents	\$ 48,580	\$ 315,456
Mutual funds	913,183	655,824
Corporate bonds	25,780	26,322
	<u>\$ 987,543</u>	<u>\$ 997,602</u>

### 5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2013	2012
Land and improvements	\$ 2,057,591	\$ 2,035,419
Buildings	31,425,351	30,827,903
Equipment	<u>42,696,190</u>	<u>40,873,939</u>
Total	76,179,132	73,737,261
Accumulated depreciation	(52,108,825)	(48,160,763)
Construction in progress	<u>458,555</u>	<u>558,708</u>
Property and equipment, net	<u>\$ 24,528,862</u>	<u>\$ 26,135,206</u>

# MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

### 6. LONG-TERM DEBT

Long-term debt consists of the following at December 31:

	<u>2013</u>	<u>2012</u>
County of Butler, Ohio Health Care Facilities Revenue and Refunding Bonds Series 2009A, with monthly payments of \$195,658; interest at 4.35%, refunded in 2013	\$ -	\$ 11,654,157
County of Butler, Ohio Health Care Facilities Revenue and Refunding Bonds Series 2009B, with monthly payments of \$49,267; interest at 4.40%, refunded in 2013	-	3,447,268
County of Butler, Ohio Health Care Facilities Refunding Revenue Bonds Series 2013A, with monthly payments ranging from \$150,853 to \$192,230, interest at 3.35% through April 2016, maturity date October 1, 2019	9,987,359	-
County of Butler, Ohio Health Care Facilities Refunding Revenue Bonds Series 2013B, with monthly payments of \$47,321, interest at 3.35% through April 2016, maturity date October 1, 2019	3,054,085	-
Roche Diagnostics Corporation capital lease, monthly payments of \$6,408, interest rate at 4.37%, maturity date December 15, 2019	403,160	-
Sanders Financial Corporation capital lease monthly payments of \$208, interest rate at 4.37%, maturity date August 31, 2016	<u>6,222</u>	<u>-</u>
	13,450,826	15,101,425
Less current portion	<u>(2,455,292)</u>	<u>(2,326,463)</u>
Noncurrent portion	<u><u>\$ 10,995,534</u></u>	<u><u>\$ 12,774,962</u></u>

During 2013, the Hospital issued \$10,314,685 in County of Butler, Ohio Health Care Facilities Refunding Revenue Bonds Series 2013A and \$3,131,352 in County of Butler, Ohio Health Care Facilities Refunding Revenue Bonds Series 2013B, with interest rates at 3.35% through April 2016. The interest rate has a reset date of April 1, 2016. The Holder of the bonds has the option to tender the Series 2013A and 2013B bonds to the Hospital on the interest reset date. Should this option be exercised, the repayment of the Series 2013A and 2013B bonds would be \$5,970,627 and \$1,925,865, respectively.

# MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

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The 2013 bonds were issued to refund the County of Butler, Ohio Health Care Facilities Revenue and Refunding Bonds Series 2009A and County of Butler, Ohio Health Care Facilities Revenue and Refunding Bonds Series 2009B.

The Hospital has pledged to the bond trustee a security interest in all present and future gross receipts as well as a mortgage on the property. The Hospital has also secured the bonds through an amended and restated sublease agreement with the county of Butler, Ohio. The sublease agreement is in effect as long as the bonds remain outstanding. The net book value of the secured assets is approximately \$24,529,000.

The Hospital is bound by the terms of the Master Trust Indenture to various operational and financial covenants. The Hospital is subject to certain restrictive covenants with respect to days cash on hand, fixed charge ratio and debt to capitalization ratio. The Hospital believes it is in compliance with all operational and financial covenants as of December 31, 2013.

As of December 31, 2013, scheduled future maturities on long-term debt are as follows:

2014	\$	2,455,292
2015		2,118,127
2016		2,200,797
2017		2,280,209
2018		2,358,507
Thereafter		2,037,894
Total	\$	<u>13,450,826</u>

### 7. PENSION PLAN

The Hospital sponsors a defined contribution plan covering substantially all employees. Net pension cost including administrative expenses related to this plan was approximately \$322,000 and \$333,000 in 2013 and 2012, respectively.

### 8. PROFESSIONAL LIABILITY INSURANCE

The Hospital maintains professional liability insurance coverage with a commercial insurance carrier. The policy covers losses of \$1,000,000 individually and \$3,000,000 in the aggregate. In addition, the Hospital maintains commercial excess liability insurance with limits of \$5,000,000 per occurrence and in the annual aggregate. Management believes claims outstanding against the Hospital at December 31, 2013 are adequately covered by commercial insurance.



# MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

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### 9. FUNCTIONAL EXPENSES

The Hospital provides general health care services to residents within its geographic region. Healthcare program and general and administrative expenses at December 31, 2013 and 2012 follows:

	2013	2012
Healthcare program services	\$ 47,209,848	\$ 48,460,309
General and administrative services	8,529,076	6,602,691
	<u>\$ 55,738,924</u>	<u>\$ 55,063,000</u>

The costs of providing the programs and services of the Hospital have been summarized on a functional basis in the above table. Accordingly, certain costs have been allocated among the program services and supporting activities benefited, based on staff time and actual usage. Although the methods used were appropriate, other methods may provide different results.

### 10. RELATED ORGANIZATION

The McCullough-Hyde Memorial Hospital Trust (the "Trust") was organized to provide financial support to the Hospital. The Board of Trustees of the Trust determines the amount of support to be provided, as well as how the funds are to be used.

Amounts due from the Trust approximated \$2,265,000 and \$1,913,000 at December 31, 2013 and 2012, respectively.

Summarized financial information of the Trust for the years ended December 31 follows:

	2013	2012
Assets	\$ 13,035,000	\$ 11,256,494
Liabilities	2,290,270	1,936,390
Net assets	10,744,730	9,320,104
Unrestricted revenues and other support	1,581,860	1,245,699
Unrestricted expenses	585,045	490,237
Change in unrestricted net assets	996,815	755,462
Change in temporarily restricted net assets	272,912	11,155
Change in permanently restricted net assets	154,899	87,837

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# MCCULLOUGH-HYDE MEMORIAL HOSPITAL, INC.

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

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### 11. PURCHASE COMMITMENTS

During 2012, the Hospital entered into a contract with Roche Diagnostics Corporation (Roche) beginning in 2013. Under the term of the contract, the Hospital received equipment at no cost and is required to purchase approximately \$1,967,000 in supplies from Roche over the remaining six years of the agreement.

### 12. COMMITMENTS

The Hospital leases space and equipment for various purposes with Ross Medical Complex being the most significant, with terms ranging from 3 to 15 years. Future annual minimum lease payments under the leases are as follows:

2014	\$ 1,013,931
2015	868,740
2016	726,355
2017	636,191
2018	565,116
Thereafter	<u>1,752,488</u>
Total	<u>\$ 5,562,821</u>

Rental expense for the Hospital was \$1,332,168 and \$1,380,539 during December 31, 2013 and 2012, respectively.

### 13. CONTINGENCIES

There are a variety of legal proceedings and claims by others against the Hospital in a variety of matters arising out of the conduct of the Hospital's business. The ultimate resolution of such claims would not, in the opinion of management, have a material adverse effect on the financial statements.