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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

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

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

OMB No 1545-0047

2013

Open to Public Inspection

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

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

C Name of organization
FAITH REGIONAL HEALTH SERVICES

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
1500 KOENIGSTEIN AVENUE PO BOX 869

City or town, state or province, country, and ZIP or foreign postal code
NORFOLK, NE 687020869

D Employer identification number
47-0796875

E Telephone number
(402) 371-4880

G Gross receipts $ 169,977,744

F Name and address of principal officer
TIMOTHY AUWARTER
1500 KOENIGSTEIN AVENUE PO BOX 869
NORFOLK, NE 687020869

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW FRHS ORG

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

L Year of formation 1996

M State of legal domicile NE

Part I Summary

1 Briefly describe the organization's mission or most significant activities
FAITH REGIONAL HEALTH SERVICES IS A HEALTHCARE ORGANIZATION PROVIDING ACUTE, SKILLED AND OUTPATIENT SERVICES TO INDIVIDUALS IN OUR SERVICE AREA

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	14
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	9
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	1,326
6	Total number of volunteers (estimate if necessary)	**6**	148
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	180,744
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	134,972

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	1,105,992	1,992,002
9	Program service revenue (Part VIII, line 2g)	159,645,558	165,943,845
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-940,321	329,503
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	117,811	651,867
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	159,929,040	168,917,217
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	476,246	332,201
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	77,098,650	81,077,270
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶377,768		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	79,954,879	81,396,864
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	157,529,775	162,806,335
19	Revenue less expenses Subtract line 18 from line 12	2,399,265	6,110,882

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	188,970,154	195,218,341
21	Total liabilities (Part X, line 26)	100,689,378	100,698,121
22	Net assets or fund balances Subtract line 21 from line 20	88,280,776	94,520,220

Part II Signature Block

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

Sign Here

****** | 2014-11-13
Signature of officer | Date

JOHN WILKER CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
BARBARA J FAJEN				P00400874

Firm's name ▶ SEIM JOHNSON LLP | Firm's EIN ▶ 47-6097913

Firm's address ▶ 18081 BURT STREET SUITE 200
OMAHA, NE 680224722 | Phone no (402) 330-2660

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

TO SERVE CHRIST BY PROVIDING ALL PEOPLE WITH EXEMPLARY MEDICAL SERVICES IN AN ENVIRONMENT OF LOVE AND CARE

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 $ 69,361,304 including grants of $) (Revenue $ 53,274,169)

FAITH REGIONAL PROVIDES HEALTHCARE TO ALL PEOPLE REGARDLESS OF THEIR ABILITY TO PAY OR THEIR INSURANCE PROVIDER DURING 2013, FAITH PROVIDED 11,552 PATIENT DAYS TO MEDICARE PATIENTS AND 1,975 PATIENT DAYS TO MEDICAID PATIENTS

4b (Code) (Expenses $ 10,827,262 including grants of $) (Revenue $ 9,302,659)

MANY SERVICES PROVIDED BY FAITH REGIONAL ARE DONE TO MEET SPECIFIC NEEDS OF THE COMMUNITY BECAUSE NO OTHER SERVICES ARE AVAILABLE AS A RESULT, THESE SERVICES ARE PROVIDED KNOWING THAT THEY WILL NOT BE FINANCIALLY VIABLE OR SELF-SUPPORTING THESE SERVICES INCLUDE BEHAVIORAL HEALTH INPATIENT AND OUTPATIENT SERVICES, DIALYSIS SERVICES, CARDIOPULMONARY REHABILTIATION SERVICES, HOME HEALTH CARE AND TRANSITIONAL CARE (LONG-TERM REHABILITIATION) SERVICES

4c (Code) (Expenses $ 5,410,175 including grants of $) (Revenue $)

A SUBSTANTIAL PORTION OF COMMUNITY BENEFITS PROVIDED BY FAITH REGIONAL IS THE PROVISION OF PATIENT CARE SERVICES THAT ARE NOT PAID FOR EITHER BY THE PATIENT OR A THIRD PARTY INSURANCE DURING 2013, FAITH PROVIDED PATIENTS OVER $5 MILLION IN ASSISTANCE WITH PAYING THEIR HOSPITAL BILLS

(Code) (Expenses $ 55,424,676 including grants of $ 332,201) (Revenue $ 102,946,613)

FAITH REGIONAL IS COMMITTED TO MAINTAINING AND ENHANCING THE QUALITY OF CARE THROUGH THE PROVISION OF EDUCATION TO EMPLOYEES AND MEDICAL STAFF AND THROUGH THE OFFERING OF BENEFITS THAT SUPPORT THIS BENEFITS TO OUR EMPLOYEES INCLUDE EDUCATIONAL LOANS, TUITION REIMBURSEMENT AND WORKSHOP EXPENSE REIMBURSEMENT IN 2013, A TOTAL OF 36,401 HOURS OF EDUCATION HOURS WERE PROVIDED TO OUR OVER 1,300 EMPLOYEES AND MEDICAL STAFF MEMBERS OF THIS TOTAL, 27,290 HOURS WERE COMPLETED ONLINE FAITH REGIONAL ALSO PROMOTES HEALTHCARE CAREERS BY PARTICIPATING AT HIGH SCHOOL CAREER FAIRS AND OFFERING STUDENT SHADOWING

4d Other program services (Describe in Schedule O)

(Expenses $ 55,424,676 including grants of $ 332,201) (Revenue $ 102,946,613)

4e Total program service expenses ▶ 141,023,417

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	71		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	1,326		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a**	14		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	9		
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**		Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**		Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**		Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

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

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

Section C. Disclosure

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

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

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

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

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

▶JOHN WILKER 1500 KOENIGSTEIN AVENUE PO BOX 869
NORFOLK, NE 687020869 (402) 644-7249

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) BERNARD AUTEN CHAIRMAN	1 00 0 00	X		X				0	0	0
(2) JEFFREY PAPE OD VICE CHAIRMAN	1 00 1 00	X		X				0	0	0
(3) CRAIG BOCHE TREASURER	1 00 1 00	X		X				0	0	0
(4) ANITA BRENNEMAN SECRETARY	1 00 0 00	X		X				0	0	0
(5) JAMES ALBIN MD MEMBER	1 00 0 00	X						0	0	0
(6) JOHN DINKEL MEMBER	1 00 1 00	X						0	0	0
(7) TRISTAN HARTZELL MD MEMBER	40 00 0 00	X						1,488,667	0	30,504
(8) JOHN HUSCHER MD MEMBER	1 00 0 00	X						0	0	0
(9) DANIEL KARMAZIN DDS MEMBER	1 00 1 00	X						0	0	0
(10) RICHARD MEYER OD MEMBER	1 00 1 00	X						0	0	0
(11) LINDA MILLER MEMBER	1 00 1 00	X						0	0	0
(12) SCOTT MILLER MEMBER	1 00 1 00	X						0	0	0
(13) JAMES SCHEER MEMBER	1 00 2 00	X						0	0	0
(14) TOD VOSS MD MEMBER	1 00 0 00	X						0	0	0
(15) JAMES J SINEK CEO (1/1/13 - 2/14/13)	39 00 1 00			X				414,444	0	15,892
(16) TIMOTHY AUWARTER INTERIM CEO (2/15/13 - 12/31/13)	38 00 2 00			X				302,986	0	19,061
(17) JOHNATHAN WILKER CFO	38 00 2 00			X				186,676	0	10,917

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) MICHAEL HAMMOND REGIONAL SYSTEM DEVELOPMENT	40 00 0 00			X				134,938	0	7,182
(19) KELLY DRISCOLL VP/CHIEF NURSING OFFICER	40 00 0 00				X			248,250	0	18,721
(20) JANET PINKELMAN VP HUMAN RESOURCES	40 00 0 00				X			167,496	0	8,847
(21) PATRICK ROCHE COO - FRPS	40 00 0 00				X			165,479	0	19,534
(22) MOHAMMAD IMRAN MD CARDIOLOGIST	40 00 0 00					X		727,818	0	22,854
(23) DOUGLAS WELSH MD CARDIOLOGIST	40 00 0 00					X		673,995	0	32,334
(24) RAVISHANKAR KALAGA MD CARDIOLOGIST	40 00 0 00					X		672,904	0	30,504
(25) THOMAS D'AMATO MD ORTHOPEDIC SURGEON	40 00 0 00					X		649,156	0	13,364
(26) CHRISTOPHER PRICE ANESTHESIOLOGIST	40 00 0 00					X		582,118	0	0
1b Sub-Total . . . . . ▶										
c Total from continuation sheets to Part VII, Section A . . . . ▶										
d Total (add lines 1b and 1c) . . . . . ▶								6,414,927	0	229,714

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 82

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
QUAMMEN HEALTH CARE CONSULTANT 552 BRANDIES CIRCLE B4 MURFREESBORO TN 37128	IT CONSULTING	1,497,363
NEBRASKA LAB INC PO BOX 82643 LINCOLN NE 68501	LAB SERVICES	669,932
THE CAWLEY JOHNSON GROUP 1205 CREEK RIDGE XING ALPHARETTA GA 30005	MANAGEMENT SERVICES	464,474
SIOUX CITY NIGHT PATROL PO BOX 3276 SIOUX CITY IA 51102	SECURITY SERVICES	380,699
PATHOLOGY MEDICAL SERVICES PO BOX 82653 LINCOLN NE 68501	PATHOLOGY SERVICES	234,775

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 10

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 42,055				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations . . .	1d 955,478				
	e	Government grants (contributions)	1e 283,674				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f 710,795				
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		1,992,002			
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICE REVENUE	621110	103,730,830	103,730,830		
	b	MEDICARE/MEDICAID	621110	56,242,994	56,242,994		
	c	PHYSICIAN CLINICS	621110	1,614,540	1,614,540		
	d	LEASED MEDICAL EMPLOYEES	621110	1,188,167	1,188,167		
	e	MEANINGFUL USE INCENTIVE PAYMENT	621110	1,073,525	1,073,525		
	f	All other program service revenue		2,093,789	1,673,385		420,404
	g	**Total.** Add lines 2a–2f . . . . . ▶		165,943,845			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		328,896			328,896
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					
			(i) Real / (ii) Personal				
	6a	Gross rents	1,474,837				
	b	Less rental expenses	1,003,714				
	c	Rental income or (loss)	471,123				
	d	Net rental income or (loss) . . . . . ▶		471,123			471,123
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	57,420				
	b	Less cost or other basis and sales expenses	56,813				
	c	Gain or (loss)	607				
	d	Net gain or (loss) . . . . . ▶		607			607
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from fundraising events . . ▶					
	9a	Gross income from gaming activities See Part IV, line 19 . . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities . . ▶					
	10a	Gross sales of inventory, less returns and allowances . a					
	b	Less cost of goods sold . . b					
	c	Net income or (loss) from sales of inventory . . ▶					
		Miscellaneous Revenue	Business Code				
	11a	MHR HOME CARE, LLC	446199	141,144		141,144	
	b	MEDICAL SUPPLY SALES	900099	39,600		39,600	
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . ▶		180,744			
	12	**Total revenue.** See Instructions . . . . . ▶		168,917,217	165,523,441	180,744	1,221,030

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	332,201	332,201		
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	3,239,593	1,786,143	1,453,450	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	472,906	472,906		
7 Other salaries and wages	61,877,843	56,507,351	5,191,948	178,544
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	2,491,630	2,266,078	218,555	6,997
9 Other employee benefits	8,388,153	7,551,655	813,216	23,282
10 Payroll taxes	4,607,145	4,132,148	462,557	12,440
11 Fees for services (non-employees)				
a Management	316,311		316,311	
b Legal	85,590		85,590	
c Accounting	413,672		413,672	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees	37,492		37,492	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	18,642,221	11,898,615	6,644,752	98,854
12 Advertising and promotion	276,878	270,205	6,673	
13 Office expenses	5,606,462	3,488,769	2,065,860	51,833
14 Information technology	3,899,996	673,382	3,223,163	3,451
15 Royalties . .				
16 Occupancy	3,391,204	3,100,346	290,858	
17 Travel	93,439	81,868	10,533	1,038
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	3,705,458	3,705,458		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	11,244,185	11,206,471	37,714	
23 Insurance	888,382	882,010	6,372	
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	25,221,201	25,221,201		
b BAD DEBT	7,287,338	7,287,338		
c DUES & SUBSCRIPTIONS	251,329	128,780	121,220	1,329
d LICENSES	35,706	30,492	5,214	
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	162,806,335	141,023,417	21,405,150	377,768
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		155	1	915
	2	Savings and temporary cash investments		38,528,178	2	49,732,821
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		20,640,775	4	20,407,484
	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		3,807,853	7	4,002,666
	8	Inventories for sale or use		4,181,427	8	4,103,157
	9	Prepaid expenses and deferred charges		720,866	9	1,347,018
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 199,215,823			
	b	Less accumulated depreciation	10b 99,783,236	105,878,684	10c	99,432,587
	11	Investments—publicly traded securities		10,771,375	11	11,308,612
	12	Investments—other securities See Part IV, line 11		15,215	12	215
	13	Investments—program-related See Part IV, line 11		1,781,791	13	2,327,369
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		2,643,835	15	2,555,497
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		188,970,154	16	195,218,341
Liabilities	17	Accounts payable and accrued expenses		16,504,751	17	19,753,392
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		70,087,888	20	67,189,832
	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		10,173,078	23	8,643,068
	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		3,923,661	25	5,111,829
	26	**Total liabilities.** Add lines 17 through 25		100,689,378	26	100,698,121
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		88,244,041	27	93,730,635
	28	Temporarily restricted net assets		36,735	28	789,585
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		88,280,776	33	94,520,220
	34	Total liabilities and net assets/fund balances		188,970,154	34	195,218,341

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	168,917,217
2	Total expenses (must equal Part IX, column (A), line 25)	2	162,806,335
3	Revenue less expenses Subtract line 2 from line 1	3	6,110,882
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	88,280,776
5	Net unrealized gains (losses) on investments	5	9,150
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	119,412
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	94,520,220

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
FAITH REGIONAL HEALTH SERVICES

Employer identification number
47-0796875

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

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

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) **14**

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

16a **33 1/3% support test—2013.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2012.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2013.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support.** (Add lines 9, 10c, 11, and 12)						

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

Section C. Computation of Public Support Percentage

15	Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

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

19a **33 1/3% support tests—2013.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2012.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

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

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

Facts And Circumstances Test		
Return Reference	Explanation	

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2013

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
FAITH REGIONAL HEALTH SERVICES	47-0796875

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		8,793
j	Total Add lines 1c through 1i			8,793
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	FAITH REGIONAL PAID DUES TO THE NEBRASKA HOSPITAL ASSOCIATION, NEBRASKA ASSOCIATION OF HOME AND COMMUNITY HEALTH AGENCIES AND THE AMERICAN HOSPITAL ASSOCIATION A PORTION OF THE DUES WERE USED FOR LOBBYING ACTIVITIES DUES PAID WHICH ARE ALLOCABLE TO LOBBYING EXPENSES WERE $4,596, $179 AND $4,018, RESPECTIVELY

Part IV Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
FAITH REGIONAL HEALTH SERVICES

Employer identification number
47-0796875

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

		(a) Current year	(b) Prior year	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	6,024,571	5,578,113	5,670,101	5,188,508	4,493,972
b	Contributions	25,899	12,162	13,321	2,727	6,814
c	Net investment earnings, gains, and losses	1,029,674	444,388	-38,571	517,780	721,427
d	Grants or scholarships	14,851	10,092	66,738	38,914	33,705
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance	7,065,293	6,024,571	5,578,113	5,670,101	5,188,508

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

- a Board designated or quasi-endowment ▶ 0 720 %
- b Permanent endowment ▶ 76 630 %
- c Temporarily restricted endowment ▶ 22 650 %

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

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

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

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

Part VI Land, Buildings, and Equipment. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,006,212		1,006,212
b Buildings	7,149,316	87,480,796	46,518,591	48,111,521
c Leasehold improvements				
d Equipment	176,685	98,700,006	50,926,556	47,950,135
e Other		4,702,808	2,338,089	2,364,719
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				99,432,587

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

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

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

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

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

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

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

1 (a) Description of liability	(b) Book value
Federal income taxes	
ESTIMATED THIRD PARTY PAYOR SETTLEMENTS - MEDICARE & MEDICAID	2,046,955
DEFERRED COMPENSATION	3,064,874
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	5,111,829

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

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

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

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

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

Part XIII Supplemental Information

Provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b Also complete this part to provide any additional information

Return Reference	Explanation
PART V, LINE 4	CARSON CANCER CENTER ENDOWMENT FUNDS ARE PERMANENTLY SET ASIDE TO GENERATE INVESTMENT EARNINGS TO BE USED TO FUND CAPITAL EQUIPMENT PURCHASES AND/OR OPERATIONS OF THE CARSON REGIONAL CANCER CENTER INVESTMENT EARNINGS ON THESE FUNDS ARE TEMPORARILY RESTRICTED AS TO USE GENERAL ENDOWMENT FUNDS ARE PERMANENTLY SET ASIDE TO GENERATE INVESTMENT EARNINGS INVESTMENT EARNINGS ON THESE FUNDS ARE NOT RESTRICTED AS TO USE THE HOSPICE ENDOWMENT FUNDS ARE PERMANENTLY SET ASIDE TO GENERATE INVESTMENT EARNINGS TO BENEFIT THE HOSPICE PROGRAM AND ITS PATIENTS INVESTMENT INCOME ON THESE FUNDS ARE TEMPORARILY RESTRICTED AS TO USE THE CARDIAC SERVICES ENDOWMENT FUNDS ARE PERMANENTLY SET ASIDE TO GENERATE INVESTMENT EARNINGS TO FUND FAITH REGIONAL HEALTH SERVICE'S CARDIAC PROGRAM CAPITAL AND/OR OPERATIONAL EXPENSES THE EDUCATION ENDOWMENT FUNDS ARE PERMANENTLY SET ASIDE TO GENERATE INVESTMENT EARNINGS TO BENEFIT FAITH REGIONAL HEALTH SERVICE'S EDUCATION PROGRAMS AND ITS EFFORTS TO RECRUIT AND RETAIN EMPLOYEES INVESTMENT INCOME ON THESE FUNDS ARE TEMPORARILY RESTRICTED AS TO USE ST JOSEPH'S NURSING HOME/SKYVIEW VILLA ENDOWMENT FUNDS ARE PERMANENTLY SET ASIDE TO GENERATE INVESTMENT EARNINGS TO BE USED TO FUND CAPITAL EQUIPMENT PURCHASES AND/OR OPERATION OF ST JOSEPH'S NURSING HOME AND SKYVIEW VILLA INVESTMENT EARNINGS ON THESE FUNDS ARE TEMPORARILY RESTRICTED AS TO USE THE PEDIATRIC ENDOWMENT FUNDS ARE PERMANENTLY SET ASIDE TO GENERATE INVESTMENT EARNINGS TO BENEFIT FAITH REGIONAL HEALTH SERVICE'S CHILDREN'S CARE FUND DONORS MAY SPECIFY CONTRIBUTIONS TO ANY OF THE ENDOWMENT FUNDS
PART X, LINE 2	FAITH REGIONAL HEALTH SERVICES (FRHS) AND FAITH REGIONAL HEALTH SERVICES FOUNDATION (THE FOUNDATION) ARE NOT-FOR-PROFIT CORPORATIONS AS DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND ARE EXEMPT FROM FEDERAL AND NEBRASKA STATE INCOME TAXES ON RELATED INCOME PURSUANT TO SECTION 501 (A) OF THE CODE FAITH REGIONAL PHYSICIAN SERVICES (FRPS) IS A LIMITED LIABILITY COMPANY WHOLLY OWNED BY FRHS THE INTERNAL REVENUE SERVICE HAS ESTABLISHED STANDARDS TO BE MET TO MAINTAIN TAX-EXEMPT STATUS FAITH ACCOUNTS FOR UNCERTAINTIES IN ACCOUNTING FOR INCOME TAX ASSETS AND LIABILITIES USING GUIDANCE INCLUDED IN FASB ASC 740, INCOME TAXES FAITH RECOGNIZES THE EFFECT OF INCOME TAX POSITIONS ONLY IF THOSE POSITIONS ARE MORE LIKELY THAN NOT OF BEING SUSTAINED AT DECEMBER 31, 2013 AND 2012, FAITH HAD NO UNCERTAIN TAX POSITIONS ACCRUED WITH FEW EXCEPTIONS, FAITH IS NO LONGER SUBJECT TO INCOME TAX EXAMINATIONS FOR YEARS ENDED PRIOR TO DECEMBER 31, 2010

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
FAITH REGIONAL HEALTH SERVICES

Employer identification number
47-0796875

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year			
	☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care	3a	Yes	
	☐ 100% ☐ 150% ☐ 200% ☑ Other 40000 0000000000 %			
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care	3b	Yes	
	☐ 200% ☐ 250% ☐ 300% ☐ 350% ☑ 400% ☐ Other ____ %			
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	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	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
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		No
	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)			2,015,604		2,015,604	1 300 %
b Medicaid (from Worksheet 3, column a)			10,178,345	7,295,967	2,882,378	1 850 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			12,193,949	7,295,967	4,897,982	3 150 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	232	55,612	1,083,616	76,380	1,007,236	0 650 %
f Health professions education (from Worksheet 5)		6	262,852	0	262,852	0 170 %
g Subsidized health services (from Worksheet 6)		4,044	2,154,748	0	2,154,748	1 390 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)	84		91,730	0	91,730	0 060 %
j **Total.** Other Benefits	316	59,662	3,592,946	76,380	3,516,566	2 270 %
k **Total.** Add lines 7d and 7j	316	59,662	15,786,895	7,372,347	8,414,548	5 420 %

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building		12	40,236	0	40,236	0 030 %
7 Community health improvement advocacy						
8 Workforce development		2	125,000	0	125,000	0 080 %
9 Other						
10 **Total**		14	165,236		165,236	0 110 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	7,287,338		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3	0		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	37,352,500
6	Enter Medicare allowable costs of care relating to payments on line 5	6	45,779,895
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-8,427,395
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☐ Cost to charge ratio ☑ Other

Section C. Collection Practices

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

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

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1	1 NORTHEAST NE IMAGING CENTER LLC	IMAGING SERVICES	25 000 %	0 %	75 000 %
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? 2

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)

FACILITY REPORTING GROUP - A

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) _____

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 13			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**	Yes	
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW FRHS ORG			
b	☐ Other website (list url) _____			
c	☐ Available upon request from the hospital facility			
d	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☑ Participation in the execution of a community-wide plan			
e	☑ Inclusion of a community benefit section in operational plans			
f	☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☐ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**	Yes	
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $_____			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 400 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Residency			
i ☑ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			

Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**		No
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information *(continued)*

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

Form and Line Reference	Explanation
PART V, SECTION B	FACILITY REPORTING GROUP A
FACILITY REPORTING GROUP A CONSISTS OF	- FACILITY 1 FAITH REGIONAL HEALTH SERVICES - WEST, - FACILITY 2 FAITH REGIONAL HEALTH SERVICES - EAST
FACILITY 1 -- FAITH REGIONAL HEALTH SERVICES - WEST PART V, SECTION B, LINE 3	THE MULTI-STEP PROCESS BEGAN WITH THE MOBILIZING FOR ACTION THROUGH PLANNING AND PARTNERSHIP (MAPP) PROCESS A NUMBER OF INDIVIDUALS AND ORGANIZATIONS WITH A COMMON INTEREST IN PUBLIC HEALTH CONTRIBUTED TO THE INPUT ON THE STRATEGIES AND FUTURE GOALS OF THE HEALTH DEPARTMENT CONTRIBUTORS REPRESENTED A VARIETY OF ARENAS, SECTORS AND BACKGROUNDS, AND EVERY EFFORT WAS PLACED ON HAVING EQUAL AND FAIR REPRESENTATION ACROSS ALL COUNTIES AND SECTOR FOCUS AREAS AS KEY MEMBERS IN THE SOCIETY, OPINIONS AND INSIGHT FROM MINORITY GROUPS WERE SOUGHT AS A PART OF THIS PROCESS THIS WAS ACHIEVED BY CONDUCTING DOOR-TO-DOOR SURVEYS OF HISPANIC HOUSEHOLDS IN WEST POINT (CUMING COUNTY), WOODLAND PARK (STANTON COUNTY), AND NORFOLK AND MADISON (MADISON COUNTY) IN ORDER TO BETTER UNDERSTAND HEALTH ISSUES AND WAYS TO IMPROVE HEALTH OUTCOMES AND REDUCE BARRIERS TO CARE AND TREATMENT MAPP WAS CHOSEN, IN PART, BECAUSE THE PROCESS ALLOWS FOR INPUT FROM PARTIES WHO REPRESENT BROAD INTERESTS IN THE COMMUNITIES THESE PARTIES INCLUDED BUT WERE NOT LIMITED TO - STATE SENATORS/CITY/COUNTY ELECTED OFFICIALS- HOSPITAL ADMINISTRATION-ALLIED HEALTH PROGRAMS- LICENSED MEDICAL PRACTITIONERS-BEHAVORIAL HEALTH EXECUTIVES-EMERGENCY RESPONSE PLANNERS- COMMUNITY BASED ORGANIZATIONS-FAMILY PLANNING AGENCY-HEALTHCARE STUDENTS-HEALTH EDUCATION DIRECTORS-COMMUNITY HEALTH CENTER EXECUTIVES- MINORITY COMMUNITY LEADERS-ECONOMIC DEVELOPMENT LEADERS-BUSINESS LEADERS-SCHOOL ADMINISTRATORSCOMMUNITY ENGAGEMENT WAS AN OVERARCHING CONCEPT ENCOMPASSING THE COMMUNITY HEALTH NEEDS ASSESSMENT AND FORMATION OF THE COMMUNITY HEALTH IMPROVEMENT PLAN
FACILITY 1 -- FAITH REGIONAL HEALTH SERVICES - WEST PART V, SECTION B, LINE 4	FAITH REGIONAL HEALTH SERVICES - WEST AND FAITH REGIONAL HEALTH SERVICES - EAST PARTNERED WITH THE ELKHORN LOGAN VALLEY PUBLIC HEALTH DEPARTMENT (ELVPHD) AND ITS RESPECTIVE DISTRICT HOSPITALS TO COMPLETE THE CHNA, THOSE HOSPITALS ARE AS FOLLOWS -OAKLAND MERCY HOSPITAL, OAKLAND, NE (BURT COUNTY)-ST FRANCIS MEMORIAL HOSPITAL, WEST POINT, NE (CUMING COUNTY)
FACILITY 1 -- FAITH REGIONAL HEALTH SERVICES - WEST PART V, SECTION B, LINE 12I	OTHER BASIS FOR CALCULATING AMOUNTS CHARGED TO PATIENTS INCLUDE FEDERAL POVERTY GUIDELINES SCALE AND APPLICATION
FACILITY 1 -- FAITH REGIONAL HEALTH SERVICES - WEST PART V, SECTION B, LINE 18E	THE HOSPITAL MADE NO SUCH ACTIONS
FACILITY 1 -- FAITH REGIONAL HEALTH SERVICES - WEST PART V, SECTION B, LINE 20D	FEDERAL POVERTY GUIDELINES WERE USED TO DETERMINE MAXIMUM AMOUNTS
FACILITY 2 -- FAITH REGIONAL HEALTH SERVICES - EAST PART V, SECTION B, LINE 3	THE MULTI-STEP PROCESS BEGAN WITH THE MOBILIZING FOR ACTION THROUGH PLANNING AND PARTNERSHIP (MAPP) PROCESS A NUMBER OF INDIVIDUALS AND ORGANIZATIONS WITH A COMMON INTEREST IN PUBLIC HEALTH CONTRIBUTED TO THE INPUT ON THE STRATEGIES AND FUTURE GOALS OF THE HEALTH DEPARTMENT CONTRIBUTORS REPRESENTED A VARIETY OF ARENAS, SECTORS AND BACKGROUNDS, AND EVERY EFFORT WAS PLACED ON HAVING EQUAL AND FAIR REPRESENTATION ACROSS ALL COUNTIES AND SECTOR FOCUS AREAS AS KEY MEMBERS IN THE SOCIETY, OPINIONS AND INSIGHT FROM MINORITY GROUPS WERE SOUGHT AS A PART OF THIS PROCESS THIS WAS ACHIEVED BY CONDUCTING DOOR-TO-DOOR SURVEYS OF HISPANIC HOUSEHOLDS IN WEST POINT (CUMING COUNTY), WOODLAND PARK (STANTON COUNTY), AND NORFOLK AND MADISON (MADISON COUNTY) IN ORDER TO BETTER UNDERSTAND HEALTH ISSUES AND WAYS TO IMPROVE HEALTH OUTCOMES AND REDUCE BARRIERS TO CARE AND TREATMENT MAPP WAS CHOSEN, IN PART, BECAUSE THE PROCESS ALLOWS FOR INPUT FROM PARTIES WHO REPRESENT BROAD INTERESTS IN THE COMMUNITIES THESE PARTIES INCLUDED BUT WERE NOT LIMITED TO - STATE SENATORS/CITY/COUNTY ELECTED OFFICIALS- HOSPITAL ADMINISTRATION-ALLIED HEALTH PROGRAMS- LICENSED MEDICAL PRACTITIONERS-BEHAVORIAL HEALTH EXECUTIVES-EMERGENCY RESPONSE PLANNERS- COMMUNITY BASED ORGANIZATIONS-FAMILY PLANNING AGENCY-HEALTHCARE STUDENTS-HEALTH EDUCATION DIRECTORS-COMMUNITY HEALTH CENTER EXECUTIVES- MINORITY COMMUNITY LEADERS-ECONOMIC DEVELOPMENT LEADERS-BUSINESS LEADERS-SCHOOL ADMINISTRATORSCOMMUNITY ENGAGEMENT WAS AN OVERARCHING CONCEPT ENCOMPASSING THE COMMUNITY HEALTH NEEDS ASSESSMENT AND FORMATION OF THE COMMUNITY HEALTH IMPROVEMENT PLAN
FACILITY 2 -- FAITH REGIONAL HEALTH SERVICES - EAST PART V, SECTION B, LINE 4	FAITH REGIONAL HEALTH SERVICES - WEST AND FAITH REGIONAL HEALTH SERVICES - EAST PARTNERED WITH THE ELKHORN LOGAN VALLEY PUBLIC HEALTH DEPARTMENT (ELVPHD) AND ITS RESPECTIVE DISTRICT HOSPITALS TO COMPLETE THE CHNA, THOSE HOSPITALS ARE AS FOLLOWS -OAKLAND MERCY HOSPITAL, OAKLAND, NE (BURT COUNTY)-ST FRANCIS MEMORIAL HOSPITAL, WEST POINT, NE (CUMING COUNTY)
FACILITY 2 -- FAITH REGIONAL HEALTH SERVICES - EAST PART V, SECTION B, LINE 12I	OTHER BASIS FOR CALCULATING AMOUNTS CHARGED TO PATIENTS INCLUDE FEDERAL POVERTY GUIDELINES SCALE AND APPLICATION
FACILITY 2 -- FAITH REGIONAL HEALTH SERVICES - EAST PART V, SECTION B, LINE 18E	THE HOSPITAL MADE NO SUCH ACTIONS
FACILITY 2 -- FAITH REGIONAL HEALTH SERVICES - EAST PART V, SECTION B, LINE 20D	FEDERAL POVERTY GUIDELINES WERE USED TO DETERMINE MAXIMUM AMOUNTS

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? **3**

	Name and address	Type of Facility (describe)
1	NORTHEAST NE SURGERY CENTER LLC 301 NORTH 27TH ST STE 3 NORFOLK, NE 68701	SURGERY CENTER
2	NORTHEAST NE IMAGING CENTER LLC 301 NORTH 27TH ST STE 15 NORFOLK, NE 68701	IMAGING CENTER
3	ST JOSEPH REHABILITIATION & CARE CTR 401 N 18TH STREET NORFOLK, NE 68701	SKILLED NURSING FACILITY
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 I, LINE 3C	FAITH REGIONAL USES THE FEDERAL POVERTY GUIDELINES TO DETERMINE ELIGIBILITY FOR DISCOUNTED CARE FINANCIALLY RESPONSIBLE PARTIES WHO SUBMIT A COMPLETE, VERIFIABLE APPLICATION FOR FINANCIAL ASSISTANCE WILL BE CONSIDERED FOR FREE OR REDUCED "CHARITY CARE" FINANCIAL ASSISTANCE ON THE BASIS OF THE FEDERAL POVERTY GUIDELINES (400% FPG LIMIT) ELIGIBILITY FOR THIS PROGRAM WILL BE DETERMINED BY FAMILY SIZE, GROSS INCOME BASED ON THE FEDERAL POVERY GUIDELINES AND AN ASSET TEST THE GROSS INCOME LEVELS ARE UPDATED EACH YEAR AS THE FEDERAL POVERTY GUIDELINES ARE UPDATED CHARITY CARE MAY BE GRANTED WITH RESPECT TO ANY DOLLARS OWED BY A FINANCIALLY RESPONSIBLE PARTY, INCLUDING, BUT NOT LIMITED TO, DEDUCTIBLE, COINSURANCE AND COPAYMENT AMOUNTS, CHARGES FOR NON-COVERED SERVICES AND MEDICAID COST OF SHARE AMOUNTS CHARITY CARE MAY BE AUTHORIZED FOR FINANCIALLY RESPONSIBLE PARTIES WITH INCOME LEVELS EXCEEDING 400% FPG IN THE CASE OF UNUSUAL, SPECIAL AND/OR EXTENUATING CIRCUMSTANCES THESE INSTANCES ARE GENERALLY DUE TO MEDICAL CATASTROPHE SITUATIONS
PART I, LINE 6A	FAITH REGIONAL'S ANNUAL COMMUNITY BENEFIT REPORT IS NOT PREPARED BY A RELATED ORGANIZATION

Form and Line Reference	Explanation
PART I, LINE 7	FAITH REGIONAL USES A COST ACCOUNTING SYSTEM TO DETERMINE COSTS REPORTABLE ON PART I, LINE 7 (AND ELSEWHERE ON SCHEDULE H) THE FIRST STEP IN THE COST ACCOUNTING PROCESS IS TO ALLOCATE THE OVERHEAD EXPENSES (ADMINISTRATION AND GENERAL, PLANT, ETC) TO THE REVENUE PRODUCING DEPARTMENTS (OPERATING ROOM, IMAGING, ONCOLOGY, ETC) THIS IS DONE SIMILAR TO THE MEDICARE COST REPORT USING A SINGLE STEP DOWN METHOD TO ALLOCATE THE COSTS USING APPLICABLE STATISTICS FOR EXAMPLE PLANT EXPENSES ARE ALLOCATED DOWN TO THE OTHER DEPARTMENTS USING CURRENT SQUARE FOOTAGE SO DEPARTMENTS WITH MORE SQUARE FOOTAGE WILL BE ALLOCATED MORE PLANT EXPENSES, DIETARY EXPENSES ARE ALLOCATED BASED ON MEALS SERVED, EMPLOYEE BENEFITS ARE ALLOCATED BASED ON SALARIES, ADMINISTRATIVE AND GENERAL EXPENSES ARE ALLOCATED BASED ON ACCUMULATED COSTS, AND SO ON ONCE ALL THE OVERHEAD EXPENSES ARE ALLOCATED TO THE REVENUE PRODUCING DEPARTMENTS THE COSTS ARE FURTHER ALLOCATED DOWN TO THE CHARGE CODE LEVEL IN ORDER TO DO THIS, TWO DIFFERENT METHODS ARE USED DEPENDING ON THE DEPARTMENT SPECIFIC DEPARTMENTS USE A RVU (RELATIVE VALUE UNIT) ALLOCATION WHERE EACH PROCEDURE IS WEIGHTED BY THE INTENSITY OF THE SERVICE AND IS THEN ALLOCATED COST BASED ON THAT LEVEL OF INTENSITY FOR EXAMPLE AN XRAY WITH SEDATION IS MORE COMPLICATED AND TIME INTENSIVE THAN A SIMPLE CHEST XRAY SO IT WOULD HAVE A HIGHER RVU VALUE AND, IN TURN, A HIGHER COST ALLOCATED TO IT THE DEPARTMENTS USING THIS ALLOCATION METHOD ARE IMAGING, CARDIAC CATH, CT, MRI, ULTRASOUND, NUCLEAR MEDICINE, RADIATION ONCOLOGY, AND REHAB (PHYSICAL, OCCUPATIONAL AND SPEECH THERAPY) THE OTHER DEPARTMENTS USE A RATIO OF COST TO CHARGE METHOD TO ALLOCATE THE COSTS DOWN TO THE CHARGE CODE LEVEL AFTER ALL THE COSTS HAVE BEEN ALLOCATED TO THE CHARGE CODES THE COSTING IS APPLIED TO ALL PATIENT ACCOUNTS BASED ON THEIR CHARGES TO DETERMINE THE COST OF THEIR ENCOUNTER AND THEN REPORTS CAN BE RUN TO DETERMINE THE PROFITABILITY OF CERTAIN PAYORS, SERVICE LINES OR DEPARTMENTS
PART I, LINE 7G	MANY SERVICES PROVIDED BY FAITH REGIONAL ARE DONE SO TO MEET SPECIFIC NEEDS OF THE COMMUNITY BECAUSE NO OTHER SERVICES ARE AVAILABLE AS A RESULT, THESE SERVICES ARE PROVIDED KNOWING THAT THEY WILL NOT BE FINANCIALLY VIABLE OR SELF-SUPPORTING FAITH REGIONAL DID NOT INCLUDE COSTS ATTRIBUTABLE TO PHYSICIAN CLINICS AS SUBSIDIZED SERVICES

Form and Line Reference	Explanation
PART I, LINE 7, COLUMN (F)	THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $ 7,287,338
PART II, COMMUNITY BUILDING ACTIVITIES	FAITH REGIONAL HELPS TO PROMOTE THE HEALTH OF THE COMMUNITY THROUGH ACTIVITIES THAT DEVELOP THE STUDENTS AT THE UNIVERSITY OF NEBRASKA MEDICAL CENTER COLLEGE OF NURSING TO BECOME FUTURE EMPLOYEES IN THE HEALTH CARE INDUSTRY, AS WELL AS BUILDING COALITION GROUPS TO FURTHER EDUCATE AND INVOLVE THE MEMBERS OF THE COMMUNITY ON CERTAIN HEALTH RELATED TOPICS

Form and Line Reference	Explanation
PART III, LINE 2	IN EVALUATING THE COLLECTIBILITY OF ACCOUNTS RECEIVABLE, FAITH ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYER SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR BAD DEBTS MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAYER SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FAITH 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
PART III, LINE 3	FAITH PROVIDES PATIENT FINANCIAL ASSISTANCE TO PATIENTS WHO ARE FINANCIALLY UNABLE TO PAY FOR THE HEALTH CARE SERVICES THEY RECEIVE IT IS THE POLICY OF FAITH NOT TO PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS PATIENT FINANCIAL ASSISTANCE ACCORDINGLY, FAITH DOES NOT REPORT THESE AMOUNTS IN NET OPERATING REVENUE OR IN THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FAITH DETERMINES THE COSTS ASSOCIATED WITH PROVIDING PATIENT FINANCIAL ASSISTANCE BY AGGREGATING THE DIRECT AND INDIRECT COSTS, INCLUDING SALARIES, BENEFITS, SUPPLIES, AND OTHER OPERATING EXPENSES, BASED ON THE OVERALL COST TO CHARGE RATIO

Form and Line Reference	Explanation
PART III, LINE 4	THE ORGANIZATION'S FINANCIAL STATEMENTS DO NOT CONTAIN A SPECIFIC FOOTNOTE DESCRIBING BAD DEBT BAD DEBT EXPENSE IS IDENTIFIED ON THE CONSOLIDATED STATEMENT OF OPERATIONS WHICH IS CONSISTENT WITH THE REPORTING PRACTICE OF OTHER HEALTH CARE ORGANIZATIONS HOWEVER, THE FOLLOWING IS THE TEXT OF THE FOOTNOTES TITLED "PATIENT RECEIVABLES, NET," "NET PATIENT SERVICE REVENUE" AND "PATIENT FINANCIAL ASSISTANCE" PATIENT RECEIVABLES, NET FAITH REPORTS PATIENT ACCOUNTS RECEIVABLE FOR SERVICES RENDERED AT NET REALIZABLE AMOUNTS FROM THIRD-PARTY PAYERS, PATIENTS AND OTHERS ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR DOUBTFUL ACCOUNTS IN EVALUATING THE COLLECTIBILITY OF ACCOUNTS RECEIVABLE, FAITH ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYER SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR BAD DEBTS MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAYER SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FAITH 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 PAYMENT FOR SERVICES IS EXPECTED WITHIN THIRTY DAYS OF RECEIPT OF THE BILLING ACCOUNTS CONSIDERED PAST DUE ARE SENT TO COLLECTION AGENCIES WHEN INTERNAL COLLECTION EFFORTS HAVE BEEN UNSUCCESSFUL ANY AMOUNTS DEEMED UNCOLLECTIBLE ARE WRITTEN OFF ON A MONTHLY BASIS FAITH DOES NOT CHARGE INTEREST ON OUTSTANDING BALANCES OWED NET PATIENT SERVICE REVENUE FAITH HAS AGREEMENTS WITH THIRD-PARTY PAYORS THAT PROVIDE FOR PAYMENTS TO FAITH AT AMOUNTS DIFFERENT FROM ITS ESTABLISHED RATES PAYMENT ARRANGEMENTS INCLUDE PROSPECTIVELY DETERMINED RATES PER DISCHARGE, REIMBURSED COSTS, DISCOUNTED CHARGES, AND PER DIEM PAYMENTS NET PATIENT SERVICE REVENUE IS REPORTED AT THE ESTIMATED NET REALIZABLE AMOUNTS FROM PATIENTS, THIRD-PARTY PAYORS, AND OTHERS FOR SERVICES RENDERED, INCLUDING ESTIMATED RETROACTIVE ADJUSTMENTS UNDER REIMBURSEMENT AGREEMENTS WITH THIRD-PARTY PAYORS RETROACTIVE ADJUSTMENTS ARE ACCRUED ON AN ESTIMATED BASIS IN THE PERIOD THE RELATED SERVICES ARE RENDERED AND ADJUSTED IN FUTURE PERIODS, AS FINAL SETTLEMENTS ARE DETERMINED PATIENT FINANCIAL ASSISTANCE FAITH PROVIDES FINANCIAL ASSISTANCE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS PATIENT FINANCIAL ASSISTANCE POLICY BECAUSE FAITH DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS PATIENT FINANCIAL ASSISTANCE, THEY ARE NOT REPORTED AS REVENUE IN THE CONSOLIDATED STATEMENTS OF OPERATIONS FAITH IS DEDICATED TO PROVIDING COMPREHENSIVE HEALTHCARE SERVICES TO ALL SEGMENTS OF SOCIETY, INCLUDING THE AGED AND OTHERWISE ECONOMICALLY DISADVANTAGED IN ADDITION, FAITH PROVIDES A VARIETY OF COMMUNITY HEALTH SERVICES AT OR BELOW COST FAITH REGIONAL ACCOUNTS FOR DISCOUNTS OR PAYMENTS ON PATIENT ACCOUNTS PREVIOUSLY DETERMINED AS BAD DEBT BY CREDITING THE BAD DEBT EXPENSE ACCOUNT
PART III, LINE 8	"MEDICARE ALLOWABLE COSTS OF CARE" WAS CALCULATED FROM INFORMATION IN THE MEDICARE COST REPORT D, E & H WORKSHEETS IT DOES NOT INCLUDE ALL OF THE MEDICARE REVENUES AND COSTS IF ALL OF THE MEDICARE REVENUES AND COSTS WERE INCLUDED, THE SHORTFALL WOULD BE GREATER THAN THAT SHOWN ON LINE 7 THE SHORTFALL REPRESENTS ACTUAL UNREIMBURSED COSTS INCURRED BY FAITH REGIONAL HEALTH SERVICES IN PROVIDING SERVICES TO INDIVIDUALS ELIGIBLE FOR MEDICARE THE COMMUNITY BENEFITS BECAUSE THE HOSPITAL APPLIES OTHER REVENUES TO COVER THE COSTS OF CARING FOR MEDICARE PATIENTS

Form and Line Reference	Explanation
PART III, LINE 9B	THROUGHOUT THE COLLECTION PROCESS EACH ACCOUNT IS ALSO CONSIDERED FOR FINANCIAL ASSISTANCE FOR THOSE GUARANTORS THAT ARE FINANCIALLY UNABLE TO PAY OR EXPRESS INABILITY TO PAY ALL CORRESPONDENCE, INCLUDING STATEMENTS AND COLLECTION LETTERS INCLUDE A STATEMENT THAT "FINANCIAL ASSISTANCE MAY BE AVAILABLE " ACCOUNTS THAT ARE NOT SUCCESSFULLY RESOLVED ARE CONSIDERED FOR REFERRAL TO OUTSIDE COLLECTION AGENCIES THE PATIENT ACCOUNTS' STAFF MEMBER WILL REVIEW THE ACCOUNT TO INSURE ALL PROCESSES ARE COMPLETE, AND THEN FLAG THE ACCOUNT TO BE SENT TO OUTSIDE COLLECTION AGENCIES THE COLLECTION AGENCIES WE UTILIZE ALSO HAVE COPIES OF OUR FINANCIAL ASSISTANCE POLICY AND APPLICATION IF THE NEED ARISES
PART VI, LINE 2	FAITH REGIONAL CHOSE TO PARTNER WITH THE ELKHORN LOGAN VALLEY PUBLIC HEALTH DEPARTMENT (ELVPHD) AND ITS RESPECTIVE DISTRICT HOSPITALS TO COMPLETE THE JOINT COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) IN 2013 IN ADDITION TO THE PUBLIC HEALTH DEPARTMENT'S ASSESSMENT, FAITH REGIONAL IS INTIMATELY INVOLVED IN THE ELKHORN ECONOMIC DEVELOPMENT ASSOCIATION, BOTH ON THE BOARD AND THROUGH FINANCIAL SUPPORT THAT INVOLVMENT IS INTENDED TO FACILITATE COMMUNITY GROWTH, JOB DEVELOPMENT, INFRASTRUCTURE DEVELOPMENT AND BUSINESS EDUCATION/TRAINING FAITH REGIONAL IS ALSO A MEMBER OF THE NORFOLK CHAMBER OF COMMERCE WHICH IS INVOLVED IN BUSINESS RETAIL DEVELOPMENT AND SUPPORT AS WELL AS THE COMMUNITY IMPROVEMENT PROJECTS FAITH ALSO WORKS WITH ORGANIZATIONS LIKE THE ORPHAN GRAIN TRAIN IN PROVIDING MEDICINE AND MEDICAL EQUIPMENT/SUPPLIES TO OTHER NATIONS IN NEED

Form and Line Reference	Explanation
PART VI, LINE 3	PATIENTS RECEIVING CARE ARE GIVEN INFORMATION REGARDING FAITH REGIONAL'S FINANCIAL ASSISTANCE PROGRAM THROUGH THE USE OF BROCHURES HANDED OUT BY REGISTRATION, HOSPITAL SOCIAL SERVICES, M A S H (MEDICAL ADVOCACY SERVICES FOR HEALTHCARE) PERSONNEL AND BY PATIENT ACCOUNTS STAFF ANY PATIENT OR FAMILY MEMBER THAT EXPRESSES CONCERN REGARDING ABILITY TO PAY FOR SERVICES WILL BE DIRECTED TO A SOCIAL WORKER, REGISTRATION CLERK, CASHIER OR FINANCIAL SERVICES REPRESENTATIVE WHO WILL THEN GIVE THEM AN APPLICATION FOR PATIENT FINANCIAL ASSISTANCE ALONG WITH A BROCHURE EXPLAINING HOW TO COMPLETE THE APPLICATION THE APPLICATION WILL NEED TO BE SUBMITTED ALONG WITH PROOF OF THEIR GROSS INCOME FOR THE PRECEDING THREE MONTHS THIS CAN BE ACCOMPLISHED BY PROVIDING CHECK STUBS FOR THE PRECEDING THREE MONTHS, PROVIDING THE MOST RECENTLY FILED TAX RETURN, PROVIDING A PROFIT AND LOSS STATEMENT IF SELF-EMPLOYED OR BY PRESENTING A STATEMENT FROM THEIR EMPLOYER (ON COMPANY LETTERHEAD) INDICATING GROSS INCOME FOR EACH OF THE PREVIOUS THREE MONTHS MEDICARE PATIENTS MAY SHOW THEIR ORIGINAL DETERMINATION AMOUNT, A PHOTOCOPY OF A MONTHLY CHECK OR A COPY OF THEIR BANK STATEMENT THE FINANCIAL SERVICES REPRESENTATIVE WILL THEN MULTIPLY THE GROSS INCOME FOR THE THREE MONTHS BY FOUR TO GET AN ANNUAL GROSS INCOME THE FINANCIAL SERVICE REPRESENTATIVE WILL ALSO REVIEW THE PATIENT'S ASSETS TO SEE IF THERE IS SUFFICIENT EQUITY TO HELP PAY FOR HEALTH SERVICES THE EQUITY OF ASSETS WILL BE DETERMINED AS FOLLOWS REAL ESTATE - WE WILL EXCLUDE THE PRIMARY RESIDENCE ALONG WITH UP TO 1 ACRE OF LAND THAT THE RESIDENCE IS ON, WE WILL INCLUDE RENTAL PROPERTIES, ALL HOMES OR REAL PROPERTY ABOVE AND BEYOND THE PRIMARY RESIDENCE, CABINS, RECREATIONAL PROPERTY, ETC , AS WELL AS REAL ESTATE OWNED FOR BUSINESS PURPOSES PERSONAL PROPERTY - WE WILL EXCLUDE ONE VEHICLE PER WAGE EARNER (OR SOCIAL SECURITY OR DISABILITY RECIPIENT), WE WILL CONSIDER THE EQUITY IN MOTOR VEHICLES (MOTORCYCLES, MOTOR HOMES, BOATS, BOAT TRAILERS AND ATVS) OTHER PERSONAL PROPERTY WILL INCLUDE STOCKS, BONDS, CDS, FUTURES, ANTIQUE COLLECTIBLES AND ANY OTHER COLLECTIONS OF VALUE THE HOUSEHOLD SIZE WILL BE DETERMINED USING THE FEDERAL HOUSEHOLD DEFINITIONS IF THERE IS AN OMISSION OF INFORMATION ON THE APPLICATIONS OR INFORMATION PROVIDED APPEARS TO BE INCORRECT, A LETTER WILL BE SENT TO THE PATIENT REQUESTING THE MISSING INFORMATION OR REQUESTING CLARIFICATION OF THE INFORMATION THE DATE THAT THE LETTER IS SENT WILL BE DOCUMENTED ON A LOG OF PENDING APPLICATIONS IF THE REQUESTED DOCUMENTATION IS NOT RETURNED IN NINE WORKING DAYS, THE APPLICATION WILL BE DENIED FINANCIAL SERVICES WILL REVIEW THE APPLICATION AND ASSETS AND MAKE A DETERMINIATION WITHIN 10 DAYS OF THE RECEIPT OF A COMPLETE APPLICATION THE FINANCIAL COUNSELOR WILL THEN NOTIFY (BY LETTER) THE PATIENT INDICATING THAT THE APPLCIATION HAS BEEN APPROVED OR DENIED IF THE APPLICATION IS DENIED THE PATIENT MAY APPLY AGAIN IF THEIR FINANCIAL CIRCUMSTANCES CHANGE FOR SERVICES NOT PREVIOUSLY IN COLLECTIONS AND NO FURTHER BACK THAN SIX MONTHS FROM THE DATE OF APPLICATION FOR ACTIVE ACCOUNTS
PART VI, LINE 4	FAITH REGIONAL'S PRIMARY SERVICE AREA CONSISTS OF ANTELOPE, BOONE, HOLT, KNOX, MADISON, PIERCE, PLATTE, STANTON AND WAYNE COUNTIES IN NEBRASKA REPRESENTING A POPULATION OF APPROXIMATELY 121,000 PEOPLE THE HOSPITAL'S SECONDARY SERVICE AREA CONSISTS OF CEDAR, COLFAX, CUMING AND DIXON COUNTIES IN NEBRASKA REPRESENTING APPROXIMATELY 34,500 PEOPLE FAITH REGIONAL ALSO HAS A TERTIARY SERVICE AREA OF BOYD, BROWN, BURT, CHERRY, DAKOTA, GARFIELD, KEYA PAHA, NANCY, ROCK, THURSTON AND WHEELER COUNTIES IN NEBRASKA WITH APPROXIMATELY A POPULATION OF 57,400 BASED ON THE 2010 U S CENSUS INFORMATION, THE ABOVE COUNTIES IN THE PRIMARY AND SECONDARY SERVICE AREAS REPRESENT A TOTAL POPULATION OF 155,935 THE AVERAGE AGE IS 41 1 YEARS, AND CONSISTS MOSTLY OF WHITE AT 92 7%, HISPANIC OR LATINO AT 8 2% AND BLACK OR AFRICAN AMERICAN AT 4% THE MEDIAN HOUSEHOLD INCOME OF THE SERVICE AREA IS $45,527 AND THE PER CAPITA INCOME IS $22,551, COMPARED TO THE MEDIAN HOUSEHOLD INCOME FOR NEBRASKA AT $50,695 AND THE PER CAPITA INCOME AT $26,113

Form and Line Reference	Explanation
PART VI, LINE 5	FAITH REGIONAL, A NOT-FOR-PROFIT HEALTH CARE FACILITY, LOCATED IN NORTHEAST NEBRASKA, OPERATES FOR THE BENEFIT OF THE INDIVIDUALS IN THE SERVICE AREA FAITH REGIONAL SERVES ALL PATIENTS REGARDLESS OF THEIR ABILITY TO PAY AND DOES NOT LIMIT ITS SERVICES OR DISCRIMINATE AGAINST ANYONE ON THE BASIS OF RACE, COLOR, SEX, NATIONAL ORIGIN, SEXUAL ORIENTATION, RELIGION, AGE, DISABILITY, DISEASE OR DIAGNOSIS FAITH REGIONAL ALSO PROVIDES COMMUNICATIONS SERVICES (E G BILINGUAL STAFF AND INTERPRETERS, SIGN LANGUAGE INTERPRETERS, TDD SERVICES, ETC) FOR SENSORY IMPAIRED INDIVIDUALS FAITH REGIONAL EVALUATES ITSELF ON ITS EFFECTIVENESS ANNUALLY BY EXAMINING ITS ABILITY TO FULFILL ITS MISSION, ACCOMPLISH ITS VISION, PROVIDE SERVICE AND MAINTAIN ITS VALUES FAITH REGIONAL'S MISSION, VISION, SERVICE AND VALUES ARE THE MISSION THE MISSION IS TO SERVE CHRIST BY PROVIDING ALL PEOPLE WITH EXEMPLARY MEDICAL SERVICES IN AN ENVIRONMENT OF LOVE AND CARE THE VISION THE VISION OF FAITH REGIONAL HEALTH SERVICES IS TO BECOME A REGIONAL REFERRAL CENTER BY PROVIDING THE MOST COMPREHENSIVE, HIGH QUALITY HEALTH SERVICES TO THE RESIDENTS OF NORTHEAST NEBRASKA THE VALUES -SPIRITUALITY-EXCELLENCE-INTEGRITY-COMPASSION-RESPECT-STEWARDSHIPFAITH REGIONAL'S PROGRAM SERVICE ACCOMPLISHMENTS ARE BASED ON THE COMMUNITY ACCOUNTABILITY STANDARDS DEVELOPED BY THE VOLUNTARY HOSPITALS OF AMERICA (VHA) THESE FOUR STANDARDS ARE 1) DEMONSTRATE LEADERSHIP AS A CHARITABLE INSTITUTION 2) PROVIDING ESSENTIAL HEALTH CARE SERVICES 3) BEING ACCOUNTABLE TO THE COMMUNITY 4) MAINTAING EVIDENCE OF COMMITMENT TO COMMUNITY BENEFIT FAITH REGIONAL RECOGNIZES ITS OBLIGATION TO DEMONSTRATE LEADERSHIP AS A CHARITABLE ORGANIZATION BY PROVIDING A FULL RANGE OF HEALTH CARE, HEALTH EDUCATION AND WELLNESS RELATED SERVICES TO THE COMMUNITY, AND PARTICIPATING IN FEDERAL, STATE AND LOCAL PROGRAMS TO PROVIDE HEALTH BENEFITS TO THOSE IN NEED DURING 2013, FAITH REGIONAL PARTICIPATED IN A VARIETY OF PROGRAMS INTENDED TO BENEFIT THE ELDERLY AND NEEDY POPULATIONS WITHIN, AND THOSE INDIVIDUALS ENTERING, ITS SERVICE AREA THESE INCLUDE MEDICARE, MEDICAID, CHAMPUS, WORKERS COMPENSATION, AND OTHER DISCOUNTED HEALTH INSURANCE PROGRAMS FAITH IS ALSO A PARTICIPATING PROVIDER WITH SEVERAL COMMERCIAL INSURANCE COMPANIES PROVIDING MANAGED CARE TO EMPLOYERS IN OUR COMMUNITIES THIS PARTICIPATION PROVIDES INDIVIDUALS WITH ACCESS TO A LOCAL HEALTH CARE PROVIDER IN ADDITION, FAITH PROVIDES CHARITY CARE FOR THOSE INDIVIDUALS, WHEN IDENTIFIED, WHO ARE FOUND TO BE UNABLE TO PAY FOR SERVICES RENDERED BECAUSE OF ITS PARTICIPATATION IN VARIOUS HEALTH INSURANCE AND CHARITY PROGRAMS, FAITH REGIONAL ACCEPTS CONTRACTUALLY DISCOUNTED PAYMENTS AS PAYMENT IN FULL THIS DISCOUNTED PAYMENT VARIES WITH THE TYPE OF THIRD PARTY PAYOR THESE AMOUNTS, CONTRACTUAL ADJUSTMENTS, ARE DISCOUNTED FROM NORMAL CHARGES IN ADDITION TO PROVIDING UNCOMPENSATED MEDICAL CARE, DURING 2013, FAITH REGIONAL ALSO PROVIDED CASH AND IN-KIND CONTRIBUTIONS TO VARIOUS COMMUNITY ORGANIZATIONS TO FURTHER THE MISSION OF THOSE ORGANIZATIONS AND IMPROVE OVERALL AWARENESS OF HEALTHCARE RELATED ISSUES IN OUR COMMUNITIES ORGANIZATIONS RECEIVING CASH OR IN-KIND CONTRIBUTIONS FROM FAITH INCLUDE THE AMERICAN RED CROSS, AMERICAN HEART ASSOCIATION, CITY OF NORFOLK, BIRTHRIGHT OF NORFOLK, PLANNED APPROACH TO COMMUNITY HEALTH (PATCH), AND NORFOLK AREA CHAMBER OF COMMERCE ALSO DURING 2013, FAITH CONTRIBUTED FINANCIAL SUPPORT FOR A NEW 4-YEAR NURSING SCHOOL IN NORFOLK, NE THROUGH COLLABORATION BETWEEN NORTHEAST COMMUNITY COLLEGE AND THE UNIVERSITY OF NEBRASKA FAITH REGIONAL ALSO FINANCIALLY SUPPORTS THE NORFOLK COMMUNITY "FREE CLINIC" THROUGH PHYSICIAN RECRUITMENT AND CLINIC SPACE DONATION FAITH REGIONAL PROVIDES TRANSPORTATION SERVICES PRIMARILY TO RADIATION ONCOLOGY PATIENTS AT NO CHARGE FAITH REGIONAL REMAINS ACCOUNTABLE TO THE COMMUNITY BY WORKING WITH A VOLUNTEER GOVERNING BOARD THAT IS REPRESENTATIVE OF THE COMMUNITY IT SERVES COOPERATION WITH COMMUNITY BASED HEALTH ORGANIZATIONS IDENTIFY PERTINENT ISSUES RELATED TO ESSENTIAL SERVICES, CHARITY CARE, HEALTH CARE COST CONTAINMENT, COMMUNITY BENEFIT ACTIVITIES AND OTHERS AS APPROPRIATE FAITH REGIONAL CONTINUES TO OPERATE UNDER A VOLUNTEER GOVERNING BOARD AND REMAINS ACTIVELY INVOLVED IN ADVOCATING PUBLIC AWARENESS OF HEALTH CARE AND HEALTH CARE POLICY ISSUES DISCLOSURES OF COMMUNITY BENEFIT INFORMATION AND ADVOCACY ISSUES ARE PROVIDED THROUGH A VARIETY OF MEDIA INCLUDING MEDIA RELEASES AND ITS INTERNET WEBSITE WWW FRHS ORG FAITH REGIONAL'S CONTRIBUTION TO THE COMMUNITY NOT ONLY INCLUDES COMPENSATED AND DONATED TIME BUT ALSO EQUIPMENT, MATERIALS AND SPACE MEETING ROOMS ARE PROVIDED AS NEEDED AND EQUIPMENT AND MATERIALS (E G COMPUTERS, COPIER,FAXES, TELEPHONES, CHILDBIRTH PROPS, PROJECTORS, MANNEQUINS, HEARING BOOTH, AUDIOMETERS, BEDS, MONITORS, WARMING UNITS, MINOR INSTRUMENTS, ETC) ARE PROVIDED AT NO CHARGE A MAJOR CONCERN IN HEALTH CARE THAT CAN SOMETIMES BE "HIDDEN" IS THAT OF SEXUAL ABUSE AND NEGLECT IN CHILDREN THE NORTHEAST NEBRASKA CHILD ADVOCACY PROGRAM AT FAITH REGIONAL PROVIDES A SAFE, NON THREATENING ENVIRONMENT WHERE CHILDREN (AGES INFANT TO 18) WHO ARE VICTIMS OF ABUSE RECEIVE IMMEDIATE MEDICAL CARE AND FORENSIC INTERVIEWS FROM VARIOUS AGENCIES WORKING TOGETHER ALL OF THESE SERVICES ARE AVAILABLE FREE TO FAMILIES WITHIN A 24-COUNTY AREA
PART VI, LINE 6	FAITH REGIONAL IS NOT PART OF AN AFFILIATED HEALTH CARE SYSTEM

Form and Line Reference	Explanation
PART VI, LINE 7	NOT APPLICABLE

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

▶ **Attach to Form 990**

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
FAITH REGIONAL HEALTH SERVICES

Employer identification number
47-0796875

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☑ Yes ☐ No

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

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) THE AMERICAN RED CROSS 3838 DEWEY AVENUE OMAHA,NE 68105	53-0196605	501(C)(3)		8,000	FMV	IN-KIND RENT	DEFRAY OPERATING COSTS
(2) NORTHEAST NEBRASKA AREA HEALTH EDUCATION CENTER (AHEC) 110 NORTH 16TH STREET SUITE 2 NORFOLK,NE 68701	22-3867376	501(C)(3)		26,700	FMV	IN-KIND RENT	DEFRAY OPERATING COSTS
(3) NORFOLK COMMUNITY HEALTHCARE CLINIC INC 110 NORTH 16TH STREET SUITE 16 NORFOLK,NE 68701	47-0833378	501(C)(3)		47,136	FMV	IN-KIND RENT	DEFRAY OPERATING COSTS
(4) UNIVERSITY OF NE - UNMC COLLEGE OF NURSING 3838 HOLDREGE STREET LINCOLN,NE 68503	47-0049123	501(C)(3)	125,000				HELP FUND NEW NURSING COLLEGE LOCATION IN NORFOLK, NE
(5) AMERICAN HEART ASSOCIATION 460 N LINDBERGH BLVD ST LOUIS,MO 63141	13-5613797	501(C)(3)	10,000				GO RED FOR WOMEN EVENT
(6) NORFOLK AREA UNITED WAY 333 WEST NORFOLK AVENUE NORFOLK,NE 68701	47-0492054	501(C)(3)	7,500				TO BUILD A STRONGER, HEALTHIER AND COMPASSIONATE COMMUNITY BY UNITING PEOPLE AND RESOURCES TO DEVELOP OR EXPAND HUMAN SERVICE PROGRAMS
(7) FOR THE GIRLS 1900 WEST PASEWALK AVENUE NORFOLK,NE 68701	46-0972709	501(C)(3)	5,000				TO SAVE LIVES BY EMPOWERING PEOPLE, ENSURING QUALITY CARE FOR ALL AND ENERGIZING SCIENCE TO DISCOVER AND DELIVER CURES FOR BREAST CANCER

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 7

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶ 0

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

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

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

Return Reference	Explanation
PART I, LINE 2	IN-KIND DONATIONS OF RENT ARE MADE TO 501(C)(3) ORGANIZATIONS THESE DONATIONS HELP THE DONEE ORGANIZATIONS MINIMIZE CASH NEEDED FOR OPERATING COSTS AND ALLOW THE ORGANIZATIONS TO USE THEIR AVAILABLE FUNDS IN FURTHERANCE OF THEIR MISSIONS CASH DONATIONS ARE ALSO MADE TO 501(C)(3) ORGANIZATIONS, MANY OF WHICH HAVE HEALTH CARE OR SOCIAL SERVICES MISSIONS THESE DONATIONS ARE SOMETIMES RESTRICTED FOR A SPECIFIC USE OR ACTIVITY 501(C)(3) ORGANIZATIONS ARE BOUND BY THEIR ARTICLES OF ORGANIZATION AND STATED MISSIONS TO CONDUCT ACTIVITIES STRICTLY FOR CHARITABLE PURPOSES FAITH REGIONAL DOES NOT REQUEST GRANT REPORTS FROM DONEE CHARITABLE ORGANIZATIONS

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
FAITH REGIONAL HEALTH SERVICES

Employer identification number
47-0796875

Part I Questions Regarding Compensation

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

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

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

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

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

Part III Supplemental Information

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

Return Reference	Explanation
PART I, LINE 1A	JAMES J SINEK'S YMCA MEMBERSHIP AND COUNTRY CLUB DUES ARE PAID BY FAITH REGIONAL THE AMOUNTS PAID FOR THESE ITEMS ARE ADDED TO MR SINEK'S W-2 AS WAGES TIMOTHY AUWARTER'S HOUSING ALLOWANCE IS PAID BY FAITH REGIONAL HEALTH SERVICES THE AMOUNT PAID FOR THIS ITEM IS ADDED TO MR AUWARTER'S W-2 AS WAGES

Additional Data

Software ID:
Software Version:
EIN: 47-0796875
Name: FAITH REGIONAL HEALTH SERVICES

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
TRISTAN HARTZELL MD MEMBER	(I) (II)	573,227 0	915,440 0	0 0	7,650 0	22,854 0	1,519,171 0	0 0
JAMES J SINEK CEO (1/1/13 - 2/14/13)	(I) (II)	414,444 0	0 0	0 0	7,650 0	8,242 0	430,336 0	0 0
TIMOTHY AUWARTER INTERIM CEO (2/15/13 - 12/31/13)	(I) (II)	302,986 0	0 0	0 0	7,650 0	11,411 0	322,047 0	0 0
JOHNATHAN WILKER CFO	(I) (II)	186,676 0	0 0	0 0	0 0	10,917 0	197,593 0	0 0
KELLY DRISCOLL VP/CHIEF NURSING OFFICER	(I) (II)	248,250 0	0 0	0 0	7,448 0	11,273 0	266,971 0	0 0
JANET PINKELMAN VP HUMAN RESOURCES	(I) (II)	167,496 0	0 0	0 0	8,375 0	472 0	176,343 0	0 0
PATRICK ROCHE COO - FRPS	(I) (II)	165,479 0	0 0	0 0	8,274 0	11,260 0	185,013 0	0 0
MOHAMMAD IMRAN MD CARDIOLOGIST	(I) (II)	612,271 0	115,547 0	0 0	0 0	22,854 0	750,672 0	0 0
DOUGLAS WELSH MD CARDIOLOGIST	(I) (II)	595,210 0	78,785 0	0 0	10,200 0	22,134 0	706,329 0	0 0
RAVISHANKAR KALAGA MD CARDIOLOGIST	(I) (II)	595,571 0	77,333 0	0 0	7,650 0	22,854 0	703,408 0	0 0
THOMAS D'AMATO MD ORTHOPEDIC SURGEON	(I) (II)	649,156 0	0 0	0 0	7,650 0	5,714 0	662,520 0	0 0
CHRISTOPHER PRICE ANESTHESIOLOGIST	(I) (II)	479,106 0	103,012 0	0 0	0 0	0 0	582,118 0	0 0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
FAITH REGIONAL HEALTH SERVICES

Employer identification number
47-0796875

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	HOSPITAL AUTHORITY #1 OF MADISON COUNTY NEBRASKA	52-1357975	557463DR9	07-10-2008	65,501,382	CONSTRUCTION OF TOWER AND REFUND PRIOR ISSUES (7/22/98 & 1/3/02)		X		X		X
B	HOSPITAL AUTHORITY #1 OF MADISON COUNTY NEBRASKA	52-1357975	557352EF4	11-20-2008	15,000,000	CONSTRUCTION OF TOWER		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	13,620,000			
2	Amount of bonds legally defeased				
3	Total proceeds of issue	67,134,436	15,039,468		
4	Gross proceeds in reserve funds	5,721,228			
5	Capitalized interest from proceeds	113,793			
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds				
8	Credit enhancement from proceeds	22,833	22,833		
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	38,580,806	15,016,635		
11	Other spent proceeds	22,718,609			
12	Other unspent proceeds				
13	Year of substantial completion	2010	2010		

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X			X				
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				

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?	X		X					
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 ▶		0 540 %						
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		0 540 %						
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
SCHEDULE K SUPPLENTAL INFORMATION	SCHEDULE K, PART II, LINE 3 THE TOTAL PROCEEDS DO NOT AGREE TO THE ISSUE PRICE IN PART I, COLUMN (E) DUE TO INVESTMENT EARNINGS
SCHEDULE K, PART IV, ARBITRAGE, LINE 2C	(A) ISSUER NAME HOSPITAL AUTH #1 OF MADISON COUNTY NE DATE THE REBATE COMPUTATION WAS PERFORMED 06/30/13 (B) ISSUER NAME HOSPITAL AUTH #1 OF MADISON COUNTY NE DATE THE REBATE COMPUTATION WAS PERFORMED 05/20/09 NOTE REGARDING THE REBATE COMPUTATION ON 05/20/09 SINCE THE BOND PROCEEDS HAVE BEEN SPENT, A SPENDING EXCEPTION WAS MET, AND THE DEBT SERVICE FUND WAS OPERATED ON A BONA FIDE BASIS, NO FURTHER REBATE CALCULATIONS ARE NECESSARY

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.
▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
FAITH REGIONAL HEALTH SERVICES

Employer identification number
47-0796875

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

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

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

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

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

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) Sharing of organization's revenues? No
(1) PAMELA PILE	PAMELA'S BROTHER IS JOHN DINKEL, A BOARD MEMBER	54,645	PAMELA IS AN EMPLOYEE OF FAITH REGIONAL HEALTH SERVICES		No
(2) AMY KARMAZIN	AMY'S FATHER-IN-LAW IS DANIEL KARMAZIN, A BOARD MEMBER	52,970	AMY IS AN EMPLOYEE OF FAITH REGIONAL HEALTH SERVICES		No
(3) MARYANNE HARTZELL	MARYANNE'S HUSBAND IS TRISTAN HARTZELL, A BOARD MEMBER	365,291	MARYANNE IS AN EMPLOYEE OF FAITH REGIONAL HEALTH SERVICES		No

Part V Supplemental Information

Provide additional information for responses to questions on Schedule L (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.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
FAITH REGIONAL HEALTH SERVICES

Employer identification number
47-0796875

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	FAITH REGIONAL HAS ONE NONPROFIT 501(C)(3) CORPORATE MEMBER, LUTHERAN COMMUNITY HOSPITAL ASSOCIATION, A RELATED ORGANIZATION

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	PURSUANT TO FAITH REGIONAL'S 2008 RESTATED BYLAWS, THE SOLE CORPORATE MEMBER, LUTHERAN COMMUNITY HOSPITAL ASSOCIATION, APPOINTS 14 VOTING MEMBERS OF THE BOARD OF DIRECTORS OF FAITH REGIONAL HEALTH SERVICES

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B	FAITH REGIONAL'S RESTATED BYLAWS RESERVE CERTAIN POWERS TO ITS SOLE MEMBER, LUTHERAN COMMUNITY HOSPITAL ASSOCIATION THERE ARE 13 RESERVED POWERS, INCLUDING APPOINTMENT AND REMOVAL OF DIRECTORS, OTHER THAN CHIEF OF STAFF, AMENDMENT OF THE ARTICLES OF INCORPORATION AND BYLAWS, AMENDMENT OF THE MISSION, VISION AND VALUE STATEMENTS, AMONG OTHERS

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	FORM 990 INFORMATION SCHEDULES ARE COMPLETED IN-HOUSE BY THE REIMBURSEMENT ACCOUNTANT AND REVIEWED BY THE CFO THE INFORMATION IS PROVIDED TO SEIM JOHNSON, LLP, FOR RETURN PREPARATION AND SIGNATURE. POST-AUDIT REVIEW, FORM 990 AND SCHEDULES ARE MAILED TO EACH BOARD MEMBER FORM 990 IS REVIEWED AND DISCUSSED AT THE SCHEDULED BOARD MEETING PRIOR TO SUBMISSION TO THE IRS

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	FAITH REGIONAL'S BOARD MEMBERS ARE REQUIRED TO SIGN A CONFLICT OF INTEREST STATEMENT AND DISCLOSURE ANNUALLY ANY CONFLICTS ARE REVIEWED BY THE BOARD A MEMBER WITH A CONFLICT IS EXCUSED FROM THE BOARD DELIBERATIONS AND ACTION

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	DETERMINATION OF COMPENSATION FOR THE CEO AND OTHER OFFICERS AND KEY EMPLOYEES IS MADE BY GATHERING DATA FROM EXTERNAL SURVEYS AND THE FORM 990 DATA PROVIDED BY COMPARABLE FACILITIES FACILITIES USED ARE DETERMINED BY SIMILAR BED SIZE, NET REVENUES AND NUMBER OF FTES WAGES ARE GATHERED AND COMPARED BY TITLE, RESPONSIBILITIES AND YEARS OF EXPERIENCE. THE SALARY RECOMMENDATIONS ARE MADE BY THE HUMAN RESOURCE DEPARTMENT THE GOVERNING BOARD APPROVES THE SALARY RECOMMENDATIONS FOR THE CEO, THE CEO APPROVES THE RECOMMENDATIONS FOR THE OTHER OFFICERS AND VICE-PRESIDENTS, AND THE VICE-PRESIDENTS APPROVE THE RECOMMENDATIONS FOR THE DIRECTORS OF VARIOUS HOSPITAL DEPARTMENTS

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	FAITH REGIONAL DOES NOT MAKE ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY OR FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC

Return Reference	Explanation
FORM 990, PART IX, LINE 11G	MAINTENANCE CONTRACTS PROGRAM SERVICE EXPENSES 1,658,650 MANAGEMENT AND GENERAL EXPENSES 176,788 FUNDRAISING EXPENSES 98,854 TOTAL EXPENSES 1,934,292 MEDICAL SERVICES PROGRAM SERVICE EXPENSES 210,977 MANAGEMENT AND GENERAL EXPENSES 2,358,934 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 2,569,911 BILLING SERVICE FEE PROGRAM SERVICE EXPENSES 537,161 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 537,161 ANESTHESIA SERVICES PROGRAM SERVICE EXPENSES 4,957,386 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 4,957,386 LABORATORY SERVICES PROGRAM SERVICE EXPENSES 1,234,933 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,234,933 PURCHASED SERVICES PROGRAM SERVICE EXPENSES 3,241,342 MANAGEMENT AND GENERAL EXPENSES 2,029,927 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 5,271,269 CONTRACT LABOR PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 2,062,835 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 2,062,835 OTHER FEES FOR SERVICES PROGRAM SERVICE EXPENSES 58,166 MANAGEMENT AND GENERAL EXPENSES 16,268 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 74,434

Return Reference	Explanation
FORM 990, PART XI, LINE 9	NORTHEST NEBRASKA SURGERY CENTER EQUITY ADJUSTMENT 119,412

Return Reference	Explanation
FORM 990, PART XII, LINE 2C	THE FINANCE/AUDIT COMMITTEE MEETS MONTHLY TO REVIEW OUR UNAUDITED FINANCIAL STATEMENTS IN NOVEMBER OF EACH YEAR, THEY MEET TO APPROVE OUR ANNUAL BUDGET AND FIVE-YEAR STRATEGIC FINANCIAL PLAN IN DECEMBER, THEY WILL REVIEW AND APPROVE THE ENGAGEMENT LETTER PREPARED BY OUR EXTERNAL AUDITORS, SEIM JOHNSON, LLP, WHICH OUTLINES THE SCOPE OF THEIR AUDIT AND THEIR FEES AND EXPENSES AT THE CLOSE OF THE AUDIT, THEY MEET WITH THE FAITH REGIONAL EXECUTIVE TEAM AND SEIM JOHNSON, LLP REPRESENTATIVES TO DISCUSS ANY AUDIT ISSUES IN MID TO LATE MARCH, THEY THEN MEET AGAIN WITH SEIM JOHNSON, LLP REPRESENTATIVES TO DISCUSS THE DRAFT AND FINAL AUDITED FINANCIAL STATEMENTS INCLUDING THEIR OPINION REGARDING THE SELECTION OF AN EXTERNAL AUDITOR, THE COMMITTEE HAS IN THE PAST SELECTED UP TO THREE REGIONAL CPA FIRMS SPECIALIZING IN HEALTHCARE AUDITS TO WHICH TO SEND RFPS AND THEN REVIEWS THE RFPS AT A LATER DATE THE LAST TIME THIS WAS DONE THEY REAFFIRMED THE RETENTION OF SEIM JOHNSON, LLP AS THE EXTERNAL AUDITOR EACH FIVE YEARS, ALTHOUGH NOT REQUIRED BY THE SARBANES-OXLEY LEGISLATION, SEIM JOHNSON, LLP ROTATES ONE OF THEIR PARTNERS TO THE FAITH REGIONAL ENGAGEMENT THIS PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
FAITH REGIONAL HEALTH SERVICES

Employer identification number
47-0796875

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) FAITH REGIONAL PHYSICIAN SERVICES LLC 2700 WEST NORFOLK AVENUE NORFOLK, NE 68701 42-1629846	PHYSICIAN SERVICES	NE	7,385,964	6,125,531	FAITH REGIONAL HEALTH SERVICES

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	(g) No
(1) LUTHERAN COMMUNITY HOSPITAL ASSOCIATION 2700 W NORFOLK AVE NORFOLK, NE 68701 47-0396139	SUPPORT FAITH REGIONAL HEALTH SERVICES	NE	501(C)(3)	LINE 3	N/A		No
(2) FAITH REGIONAL HEALTH SERVICES FOUNDATION 1500 KOENIGSTEIN AVE NORFOLK, NE 68701 91-1772474	SUPPORT FAITH REGIONAL HEALTH SERVICES	NE	501(C)(3)	LINE 11A, I	FAITH REGIONAL HEALTH SERVICES	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) NORTHEAST NEBRASKA SURGERY CENTER 301 N 27TH STREET NORFOLK, NE 68701 47-0819088	OUTPATIENT SURGERY	NE	FAITH REGIONAL HEALTH SERVICES	RELATED	502,666	2,327,369		No			No	88 130 %

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

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

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

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule			
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a	Yes	
b Gift, grant, or capital contribution to related organization(s)	1b		No
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e		No
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j	Yes	
k Lease of facilities, equipment, or other assets from related organization(s)	1k	Yes	
l Performance of services or membership or fundraising solicitations for related organization(s)	1l		No
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	Yes	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	Yes	
o Sharing of paid employees with related organization(s)	1o	Yes	
p Reimbursement paid to related organization(s) for expenses	1p		No
q Reimbursement paid by related organization(s) for expenses	1q		No
r Other transfer of cash or property to related organization(s)	1r		No
s Other transfer of cash or property from related organization(s)	1s		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) FAITH REGIONAL HEALTH SERVICES FOUNDATION	C	955,478	FAIR MARKET VALUE
(2) NORTHEAST NEBRASKA SURGERY CENTER	O	1,188,167	FAIR MARKET VALUE
(3) NORTHEAST NEBRASKA SURGERY CENTER	A	276,600	FAIR MARKET VALUE

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

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

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

Part VII Supplemental Information

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

Return Reference	Explanation

Faith Regional Health Services and Affiliates

Norfolk, Nebraska

Consolidated Financial Statements
and Supplementary Information
December 31, 2013 and 2012

Together with Independent Auditor's Report

Faith Regional Health Services and Affiliates

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SEIM JOHNSON

Independent Auditor's Report

To the Board of Directors of
Faith Regional Health Services and Affiliates
Norfolk, Nebraska

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Other Matters

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole The consolidating information in Exhibits 1-3 is presented for purposes of additional analysis rather than to present the financial position, the results of operations, and changes in net assets of the individual organizations and is not a required part of the consolidated financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole

Sfm Johnson, LLP

Omaha, Nebraska,
April 22, 2014

Faith Regional Health Services and Affiliates

Consolidated Balance Sheets
December 31, 2013 and 2012

	2013	2012
ASSETS		
Current assets		
Cash and cash equivalents	$ 33,701,698	22,046,175
Short-term investments	15,721,734	16,188,880
Current portion of assets limited as to use	3,904,181	4,083,881
Receivables -		
Patients, net of estimated uncollectibles of $11,295,200 in 2013 and $11,328,978 in 2012	20,407,484	20,640,775
Pledges	16,228	93,614
Other	3,077,565	3,358,783
Inventories	4,103,157	4,181,427
Prepaid expenses	1,347,018	720,866
Total current assets	82,279,065	71,314,401
Assets limited as to use, net of current portion	19,442,601	18,154,376
Property and equipment, net	99,432,587	105,878,684
Other assets, net	4,547,418	3,795,853
Total assets	$ 205,701,671	199,143,314
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of long-term debt	$ 4,603,805	4,428,216
Accounts payable -		
Trade	6,357,192	4,206,542
Construction	618,758	--
Accrued salaries, vacation and benefits payable	11,377,131	10,935,945
Accrued interest payable	1,518,082	1,591,957
Estimated third-party payor settlements	2,046,955	1,549,027
Total current liabilities	26,521,923	22,711,687
Long-term debt, net of current portion	71,229,095	75,832,750
Other long-term liabilities	3,064,874	2,374,634
Total liabilities	100,815,892	100,919,071
Commitments and contingencies		
Net assets		
Unrestricted	95,605,139	89,912,013
Temporarily restricted	3,866,865	2,924,354
Permanently restricted	5,413,775	5,387,876
Total net assets	104,885,779	98,224,243
Total liabilities and net assets	$ 205,701,671	199,143,314

See notes to consolidated financial statements

Faith Regional Health Services and Affiliates

Consolidated Statements of Operations
For the Years Ended December 31, 2013 and 2012

	2013	2012
UNRESTRICTED REVENUE		
Net patient service revenue	$ 159,973,824	151,377,919
Provision for bad debts	(7,287,338)	(10,439,539)
Net patient service revenue less provision for bad debts	152,686,486	140,938,380
Other operating revenue	7,278,397	8,935,690
Gain (loss) on disposal of property and equipment	607	(946,025)
Total unrestricted revenue	159,965,490	148,928,045
EXPENSES		
Salaries and wages	65,762,802	61,467,129
Employee benefits	15,310,160	15,529,361
Contract labor	4,904,241	4,667,757
Purchased services and professional fees	13,615,580	10,625,152
Supplies and other	33,192,242	31,368,731
Occupancy costs	7,518,459	7,569,455
Insurance	895,713	788,555
Depreciation and amortization	11,542,528	11,828,889
Interest	3,444,578	3,838,648
Total expenses	156,186,303	147,683,677
OPERATING INCOME	3,779,187	1,244,368
NONOPERATING GAINS (LOSSES)		
Investment income	377,559	443,074
Joint venture gain, net	750,291	512,284
Loss on extinguishment of debt	--	(435,010)
Unrestricted gifts, grants and bequests	311,714	420,239
Fundraising expenses	(526,938)	(462,877)
Nonoperating gains, net	912,626	477,710
EXCESS OF REVENUE OVER EXPENSES	4,691,813	1,722,078
CHANGE IN NET UNREALIZED GAINS AND LOSSES ON OTHER THAN TRADING SECURITIES	9,150	190,978
NET ASSETS RELEASED FROM RESTRICTIONS FOR THE PURCHASE OF PROPERY AND EQUIPMENT	992,163	984,027
INCREASE IN UNRESTRICTED NET ASSETS	$ 5,693,126	2,897,083

See notes to consolidated financial statements

Faith Regional Health Services and Affiliates

Consolidated Statements of Changes in Net Assets
For the Years Ended December 31, 2013 and 2012

	2013	2012
UNRESTRICTED NET ASSETS		
Operating income	$ 3,779,187	1,244,368
Nonoperating gains, net	912,626	477,710
Change in net unrealized gains and losses on other than trading securities	9,150	190,978
Net assets released from restrictions for the purchase of property and equipment	992,163	984,027
Increase in unrestricted net assets	5,693,126	2,897,083
TEMPORARILY RESTRICTED NET ASSETS		
Temporarily restricted contributions	910,867	1,603,987
Investment income	98,083	23,648
Change in net unrealized gains and losses on other than trading securities	925,724	414,371
Net assets released from restrictions for the purchase of property and equipment	(992,163)	(984,027)
Increase in temporarily restricted net assets	942,511	1,057,979
PERMANENTLY RESTRICTED NET ASSETS,		
Permanently restricted contributions	25,899	12,014
INCREASE IN NET ASSETS	6,661,536	3,967,076
NET ASSETS, beginning of year	98,224,243	94,257,167
NET ASSETS, end of year	$ 104,885,779	98,224,243

See notes to consolidated financial statements

Faith Regional Health Services and Affiliates

Consolidated Statements of Cash Flows
For the Years Ended December 31, 2013 and 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 6,661,536	3,967,076
Adjustments to reconcile the change in net assets to net cash provided by operating activities -		
Temporarily and permanently restricted contributions	(936,766)	(1,616,001)
Depreciation and amortization expense	11,542,528	11,828,889
Change in net unrealized gains and losses on other than trading securities	(934,874)	(605,349)
(Gain) loss on disposal of property and equipment	(607)	946,025
Gain on investment in Northeast Nebraska Surgery Center, LLC	(622,078)	(321,140)
Loss on extinguishment of debt	--	435,010
(Increase) decrease in current assets -		
Receivables -		
Patients	233,291	(3,533,357)
Other	281,218	(1,897,769)
Inventories	78,270	(339,969)
Prepaid expenses	(626,152)	457,727
Increase (decrease) in current liabilities -		
Accounts payable - trade	2,150,650	563,356
Accrued salaries, vacation and benefits payable	441,186	2,715,604
Accrued interest payable	(73,875)	(64,374)
Estimated third-party payor settlements	497,928	200,564
Net cash provided by operating activities	18,692,255	12,736,292
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment, net	(4,477,066)	(3,451,306)
Withdrawals from short-term investments, net	467,146	844,137
Withdrawals from (deposits to) assets limited as to use, net	516,589	(768,607)
Increase in other assets, net	(129,487)	(387,451)
Net cash used in investing activities	(3,622,818)	(3,763,227)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt	(4,428,066)	(16,036,564)
Proceeds from issuance of long-term debt	--	10,672,406
Proceeds from temporarily and permanently restricted contributions	1,014,152	1,691,957
Net cash used in financing activities	(3,413,914)	(3,672,201)
NET INCREASE IN CASH AND CASH EQUIVALENTS	11,655,523	5,300,864
CASH AND CASH EQUIVALENTS - Beginning of year	22,046,175	16,745,311
CASH AND CASH EQUIVALENTS - End of year	$ 33,701,698	22,046,175
SUPPLEMENTAL SCHEDULE OF CASH FLOWS INFORMATION		
Cash paid for interest	$ 3,518,453	3,903,022

See notes to consolidated financial statements

(1) Description of Organization and Summary of Significant Accounting Policies

The following is a description of the organization and summary of significant accounting policies of Faith Regional Health Services and Affiliates (Faith) These policies are in accordance with accounting principles generally accepted in the United States of America

A Description of Organization and Basis of Presentation

The consolidated financial statements include the accounts of the following entities

- Faith Regional Health Services (FRHS), including St Joseph's Rehabilitation and Care Center (Nursing Home)
- Faith Regional Physician Services, LLC (FRPS)
- Faith Regional Health Services Foundation (Foundation)

FRHS is a voluntary not-for-profit healthcare delivery system established to enhance the overall health status of Norfolk, Nebraska and surrounding communities through the provision of a broad range of high-value health care and health-related services

FRPS is a wholly owned limited liability company, established for the purpose of delivering primary care, specialty and sub-specialty health care services through employed physicians and mid-levels

The Foundation solicits and contributes funds to Faith to further the healthcare mission of Faith All funds raised, except funds required for the operation of the Foundation, will be distributed to or be held for the benefit of Faith as required to comply with the purposes specified by donors Faith has the ability to appoint or remove the Board of Directors of the Foundation

The accompanying consolidated financial statements include the accounts of these organizations All material related party balances and transactions have been eliminated in the consolidated financial statements

Lutheran Community Hospital Association (LCHA) is the sole corporate member of Faith LCHA is a voluntary not-for-profit organization that owns an acute care hospital in Norfolk, Nebraska LCHA's corporate membership consists of individuals affiliated with a Lutheran congregation

Faith has entered into 99-year lease agreements for all property and equipment owned by LCHA LCHA continues to own their property and equipment and remain liable for their long-term debt and capital lease obligations Faith has guaranteed the payment of these obligations The property and equipment, long-term debt and related other assets associated with the long-term debt have been recorded in Faith's consolidated financial statements at the book value recognized in the financial records of LCHA

B Industry Environment

The health care industry is subject to numerous laws and regulations of federal, state and local governments These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursements for patient services, and Medicare and Medicaid fraud and abuse Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed

Management believes that Faith is in compliance with government laws and regulations as they apply to the areas of fraud and abuse While no regulatory inquiries have been made which are expected to have a material effect on Faith's consolidated financial statements, compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time

As a result of recently enacted federal healthcare reform legislation, substantial changes are anticipated in the United States healthcare system Such legislation includes numerous provisions affecting the delivery of healthcare services, the financing of healthcare costs, reimbursement of healthcare providers and the legal obligations of health insurers, providers and employers These provisions are currently slated to take effect at specified times over approximately the next decade

C *Use of Estimates*

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

D *Cash and Cash Equivalents*

Cash and cash equivalents include investments in highly liquid debt instruments with original maturities of three months or less

E *Short-Term Investments*

All investments in debt and equity securities are measured at fair value in the consolidated balance sheets (See Note 5) Investments are classified as trading securities if they are bought and held principally for the purpose of selling them in the near term Faith's securities have been classified as other than trading securities in the accompanying consolidated financial statements Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess of revenue over expenses unless donors or the law restricts the income or loss

Changes in net unrealized gains and losses on investments are excluded from the excess of revenue over expenses unless the investments are trading securities During 2013 and 2012 there were no investment declines that were determined to be other-than-temporary

F *Patient Receivables, Net*

Faith reports patient accounts receivable for services rendered at net realizable amounts from third-party payers, patients and others Accounts receivable are reduced by an allowance for doubtful accounts In evaluating the collectibility of accounts receivable, Faith analyzes its past history and identifies trends for each of its major payer sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts Faith 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

Payment for services is expected within thirty days of receipt of the billing Accounts considered past due are sent to collection agencies when internal collection efforts have been unsuccessful Any amounts deemed uncollectible are written off on a monthly basis Faith does not charge interest on outstanding balances owed

Faith also maintains a patient financial assistance policy as described in paragraph N of Note 1

G *Inventories*

Inventories are stated at the lower of cost or market Cost is determined principally using the first-in, first-out method

H *Assets Limited as to Use*

Assets limited as to use include the following

Under Trust Indenture Agreements - In connection with the issuance of Hospital Authority No 1 of Madison County, Nebraska, Hospital Revenue Bonds, Series 2008A and Series 2008B, Faith is required to maintain the following funds

Debt Service Fund - This fund consists of a "Principal Account" and an "Interest Account" which are designated to receive monies for payment of principal and interest

Debt Service Reserve Fund - This fund was established to maintain an amount equal to the maximum debt requirement for any future year on all bonds outstanding at that time

Under Deferred Compensation Agreement - Consists of fully vested employee funds See Note 14

By Board for Future Capital Improvements - Periodically, the Faith Board of Directors has set aside assets for future capital improvements over which the Board retains control and may, at its discretion, subsequently use for other purposes

By Board for Future Projects – Unless otherwise determined by the Faith Board of Directors, certain unrestricted donor funds held by the Foundation which are not limited or restricted to use are classified as Board designated funds to be used for the accumulation of principal and interest and will be used for future projects approved by the Foundation Board

By Board for Group Health Insurance – Faith is self-insured under its group health program The cash and short-term investments set aside for this program are for payment of claims and premiums An estimate of claims payable and incurred but not reported claims at December 31, 2013 is included as a current liability in the consolidated balance sheets

By Donor - These funds have been restricted by donors for specific capital improvements and operating expenses

I *Property and Equipment, Net*

Property and equipment acquisitions are recorded at cost Depreciation is computed using the straight-line method based upon useful lives set forth by the American Hospital Association Faith and the Nursing Home maintain capitalization policies of $5,000 and $2,500, respectively

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support and are excluded from the excess of unrestricted revenue, gains, and other support over expense, unless explicit donor stipulations specify how the donated assets must be used Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed into service

Faith's long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable If the sum of expected cash flows is less than the carrying amount of the asset, a loss is recognized

J *Other Assets, Net*

Other assets includes Faith's interest in joint ventures and partnerships, physician recruitment advances and unamortized bond issuance costs relating to the Hospital Revenue and Refunding Bonds, which are being amortized over the life of the related bonds on a straight-line basis

K *Group Health Insurance Costs*

Faith is self-insured under its employee group health program, up to certain limits Included in the accompanying consolidated statements of operations is a provision for premiums for excess coverage and payments for claims including estimates of the ultimate costs for both reported claims and claims incurred but not yet reported at year-end

L *Temporarily and Permanently Restricted Net Assets*

Temporarily restricted net assets are those whose use by Faith has been limited by donors to a specific time period or purpose Permanently restricted net assets have been restricted by donors to be maintained by Faith in perpetuity

M *Net Patient Service Revenue*

Faith has agreements with third-party payors that provide for payments to Faith at amounts different from its established rates Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined

N *Patient Financial Assistance*

Faith provides financial assistance to patients who meet certain criteria under its patient financial assistance policy Because Faith does not pursue collection of amounts determined to qualify as patient financial assistance, they are not reported as revenue in the consolidated statements of operations See footnote 3 for disclosures related to patient financial assistance

Faith is dedicated to providing comprehensive healthcare services to all segments of society, including the aged and otherwise economically disadvantaged In addition, Faith provides a variety of community health services at or below cost

O *Donor-Restricted Gifts*

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

P *Estimated Malpractice Costs*

Medical malpractice insurance is purchased under claims-made policies Under these policies, only claims made and reported to the insurer during the term of the policies are covered under the policies

FRHS accrues the expense of its share of asserted and unasserted claims occurring during the year by estimating the probable ultimate cost of any such claim Such estimates are based on Faith's own claims experience Faith's management does not expect any claim to exceed the insurance coverage limits However, because of the risk involved in providing health care services, it is possible an event has occurred that will be the basis of a future material claim

Q *Income Taxes*

FRHS and the Foundation are not-for-profit corporations as described in Section 501(c) (3) of the Internal Revenue Code and are exempt from federal and Nebraska state income taxes on related income pursuant to Section 501(a) of the Code FRPS is a limited liability company wholly owned by Faith The Internal Revenue Service has established standards to be met to maintain tax-exempt status

FRHS accounts for uncertainties in accounting for income tax assets and liabilities using guidance included in FASB ASC 740, *Income Taxes* Faith recognizes the effect of income tax positions only if those positions are more likely than not of being sustained At December 31, 2013 and 2012, Faith had no uncertain tax positions accrued With few exceptions, Faith is no longer subject to income tax examinations for years ended prior to December 31, 2010

R *Fair Value of Financial Instruments*

The carrying value of all financial instruments approximates estimated fair value Cash and cash equivalents, accounts receivable, and accounts payable approximate fair value due to their short-term nature Investments are stated at fair value as discussed above (See Note 5) The carrying value of long-term debt approximates fair value since the interest rates closely reflect current market rates

S *Excess of Revenue Over Expenses*

The consolidated statements of operations include excess of revenue over expenses as a performance indicator Changes in unrestricted net assets that are excluded from the performance indicator, consistent with industry practice, include change in net unrealized gains and losses on other than trading securities, grants, and contributions of long-lived assets (including assets acquired using contributions which, by donor restriction, were to be used for the purposes of acquiring such assets)

T *Reclassification*

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

U *Subsequent Events*

Faith considered events occurring through April 22, 2014 for recognition or disclosure in the consolidated financial statements as subsequent events That date is the date the consolidated financial statements were available to be issued

(2) Net Patient Service Revenue

Faith recognizes patient service revenue associated with services provided to patients who have third-party payer coverage on the basis of contractual rates for the services rendered See summary of payment arrangements below For uninsured patients that do not qualify for charity care, Faith recognizes revenue on the basis of its standard rates for services provided On the basis of historical experience, a significant portion of Faith's uninsured patients will be unable or unwilling to pay for the services provided Thus, Faith records a significant provision for bad debts related to uninsured patients in the period the services are provided

Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized during the year from these major payer sources, is as follows

	December 31, 2013					
	Medicare	Medicaid	BCBS	Other Payors	Self Pay	Total
Gross patient charges	$ 152,488,601	32,737,527	61,913,832	59,653,261	18,011,619	324,804,840
Less contractual allowances and discounts	107,157,281	21,825,853	6,831,073	23,474,119	5,542,690	164,831,016
Net patient service revenue	$ 45,331,320	10,911,674	55,082,759	36,179,142	12,468,929	159,973,824

	December 31, 2012					
	Medicare	Medicaid	BCBS	Other Payors	Self Pay	Total
Gross patient charges	$ 148,208,969	25,162,814	57,067,537	52,529,325	16,582,843	299,551,488
Less contractual allowances and discounts	103,588,343	16,744,810	5,786,900	18,977,055	3,076,461	148,173,569
Net patient service revenue	$ 44,620,626	8,418,004	51,280,637	33,552,270	13,506,382	151,377,919

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

Medicare. Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors Inpatient skilled nursing services are reimbursed at prospectively determined rates per day of care Inpatient acute rehabilitation services are reimbursed under prospective payment system and vary according to patient classification system Outpatient services are paid based on ambulatory payment classifications or fee schedule amounts Homecare services are paid at prospectively determined rates per episode of care Physician clinic services provided to Medicare beneficiaries are paid on fee schedule amounts Faith is reimbursed for some items at a tentative rate with final settlement determined after submission of annual cost reports by Faith and audits thereof by the Medicare Administrative Contractor

Faith's Medicare cost reports have been audited by the Medicare Administrative Contractor through December 31, 2009

The "Budget Control Act of 2011" requires, among other things, mandatory across-the-board reductions in Federal spending, also known as sequestration The "American Taxpayer Relief Act of 2012 postponed sequestration for two months As required by law, President Obama issued a sequestration order on March 1, 2013 In general, Medicare claims with dates of service or dates of discharge on or after April 1, 2013, will incur a two percent reduction in Medicare payment

Medicaid. Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge Certain outpatient services are reimbursed based on a percentage rate representing the average ratio of cost to charges Outpatient lab and physician clinic services related to Medicaid beneficiaries are paid based on fee schedule amounts Long-term care services are reimbursed at prospectively determined rates per day of care

Faith has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations The basis for reimbursement under these agreements includes discounts from established charges, prospectively determined daily rates and fee schedule amounts

Net patient service revenue, as reflected in the accompanying consolidated statements of operations, consists of the following as of December 31, 2013 and 2012

		2013	2012
Gross patient charges			
Inpatient revenue	$	154,388,416	136,410,721
Outpatient revenue		141,355,877	134,982,577
Professional fee revenue (FRPS)		21,979,194	20,841,078
Long-term care revenue		6,126,593	6,463,560
Home health revenue		954,760	583,552
Total gross patient charges		324,804,840	299,551,488
Less deductions from patient charges			
Contractual adjustments and patient financial assistance – Medicare, Medicaid and other		164,831,016	148,173,569
Net patient service revenue	$	159,973,824	151,377,919

Faith reports net patient service revenue at estimated net realizable amounts from patients, third-party payers, and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews, and investigations Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations

Revenue from the Medicare and Medicaid programs accounted for approximately 28% and 7%, respectively, in 2013, and 29% and 6%, respectively, in 2012, of Faith's net patient revenue Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term

(3) Patient Financial Assistance

Faith provides patient financial assistance to patients who are financially unable to pay for the health care services they receive It is the policy of Faith not to pursue collection of amounts determined to qualify as patient financial assistance Accordingly, Faith does not report these amounts in net operating revenue or in the allowance for doubtful accounts Faith determines the costs associated with providing patient financial assistance by aggregating the direct and indirect costs, including salaries, benefits, supplies, and other operating expenses, based on the overall cost to charge ratio The costs of caring for patient financial assistance patients for the years ended December 31, 2013 and 2012 were $2,440,000 and $1,400,000, respectively

(4) Investments, Including Assets Limited as to Use

Assets limited as to use are recorded at fair value and the amounts as of December 31, 2013 and 2012 are as follows

		2013	2012
By Trustee under Indenture Agreements			
Debt service fund	$	3,086,428	3,191,148
Debt service reserve fund		5,782,151	5,768,526
Under Deferred Compensation Agreement		3,064,874	2,374,634
By Board			
For future capital improvements		52,668	304,491
For future projects		--	1,363,482
For group health insurance		919,963	930,010
By Donor		10,440,698	8,305,966
Total at fair value		23,346,782	22,238,257
Less current portion		3,904,181	4,083,881
Assets limited as to use, net of current portion	$	19,442,601	18,154,376
Short-term investments	$	15,721,734	16,188,880

Investment return for the years ended December 31, 2013 and 2012 is summarized as follows

		2013	2012
Interest and dividends	$	475,914	471,230
Net realized losses		(272)	(4,509)
Net change in unrealized gains		934,874	605,349
Total investment return	$	1,410,516	1,072,070

Investment return recorded on the consolidated financial statements is as follows

		2013	2012
Included in unrestricted nonoperating gains	$	377,559	443,073
Included in temporarily restricted net assets as investment income		98,083	23,648
Reported separately as a change in unrestricted net assets		9,150	190,978
Reported separately as a change in temporarily restricted net assets		925,724	414,371
Total investment return	$	1,410,516	1,072,070

Management reviewed the securities with unrealized losses on investments at December 31, 2013 and determined that the securities were not other than temporarily impaired Management reached this conclusion through consultation with its investment consultant and portfolio manager, who relied on industry analyst reports, credit ratings, current market conditions and other information they deemed relevant to their assessment

(5) Fair Value

Fair Value Hierarchy

Faith applies FASB ASC 820 for fair value measurements of financial assets and financial liabilities that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis FASB ASC 820 establishes 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 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements) The three levels of the fair value hierarchy are as follows

Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date

Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly through either corroboration or observable market data

Level 3 inputs are inputs that are unobservable for the asset or liability Therefore, unobservable inputs shall reflect the entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk) developed based on the best information available in the circumstances

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety

The following methods and assumptions were used to estimate the fair value for each class of financial instrument measured at fair value

Cash and cash equivalents, money market funds, and accrued interest – The fair value of cash and cash equivalents, consisting primarily of money market funds, is classified as Level 1 as these funds are valued using quoted market prices

Certificates of deposit – Investments in certificates of deposit are classified as Level 2 based on multiple sources of information, which may include market data and/or quoted market prices from either markets that are not active or are for the same or similar assets of active markets

Fixed income securities – Investments in fixed income securities are comprised of U S government agency obligations, US Treasury obligations, municipal bonds, and corporate bonds and notes U S Treasury obligations are classified as Level 1 if they trade with sufficient frequency and volume to enable Faith to obtain pricing information on an ongoing basis The remaining fixed income securities are classified as Level 2 based on multiple sources of information, which may include market data and/or quoted market prices from either markets that are not active or are for the same or similar assets in active markets

Mutual funds – Mutual funds are classified as Level 1 as the fair value is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers

For the fiscal years ended December 31, 2013 and 2012, the application of valuation techniques applied to similar assets and liabilities has been consistent

The following tables present the financial instruments that are measured at fair value on a recurring basis (including items that are required to be measured at fair value) at December 31, 2013 and 2012

	December 31, 2013			
	Total	Level 1	Level 2	Level 3
Assets limited as of use				
By Trustee under indenture agreements				
Cash and cash equivalents	$ 8,807,656	8,807,656	--	--
Accrued interest receivable	60,923	60,923	--	--
Subtotal	8,868,579	8,868,579	--	--
Under deferred compensation agreement				
Cash and cash equivalents	835,104	835,104	--	--
Mutual funds (primarily domestic stock and bond funds)	2,229,770	2,229,770	--	--
Subtotal	3,064,874	3,064,874	--	--
By Board				
Cash and cash equivalents	972,631	972,631	--	--
By Donor				
Cash and cash equivalents	4,364,790	4,364,790	--	--
Corporate bonds and notes	377,827	--	377,827	--
US Treasury obligations	83,625	83,625	--	--
US Government agency obligations	146,010	--	146,010	--
Mutual funds -				
Domestic	4,600,439	4,600,439	--	--
International	868,007	868,007	--	--
Subtotal	10,440,698	9,916,861	523,837	--
Total assets limited as to use	23,346,782	22,822,945	523,837	--
Short-Term Investments				
Cash and cash equivalents	770,339	770,339	--	--
Certificates of deposit	1,305,322	--	1,305,322	--
Money market funds	1,596,962	1,596,962	--	--
Corporate bonds and notes	7,081,501	--	7,081,501	--
US Treasury obligations	1,512,470	1,512,470	--	--
US Government agency obligations	237,870	--	237,870	--
Mutual funds -				
Domestic	1,435,284	1,435,284	--	--
International	1,607,370	1,607,370	--	--
Municipal bonds	174,616	--	174,616	--
Total short-term investments	15,721,734	6,922,425	8,799,309	--
Total	$ 39,068,516	29,745,370	9,323,146	--

	December 31, 2012			
	Total	Level 1	Level 2	Level 3
Assets limited as of use				
By Trustee under indenture agreements				
Cash and cash equivalents	$ 8,939,442	8,939,442	--	--
Accrued interest receivable	20,232	20,232	--	--
Subtotal	8,959,674	8,959,674	--	--
Under deferred compensation agreement				
Cash and cash equivalents	573,244	573,244	--	--
Mutual funds (primarily domestic stock and bond funds)	1,801,390	1,801,390	--	--
Subtotal	2,374,634	2,374,634	--	--
By Board				
Cash and cash equivalents	2,597,983	2,597,983	--	--
By Donor				
Cash and cash equivalents	3,479,044	3,479,044	--	--
Corporate bonds and notes	124,858	--	124,858	--
US treasury obligations	85,328	85,328	--	--
US government agency obligations	80,418	--	80,418	--
Mutual funds -				
Domestic	3,718,422	3,718,422	--	--
International	817,896	817,896	--	--
Subtotal	8,305,966	8,100,690	205,276	--
Total assets limited as to use	22,238,257	22,032,981	205,276	--
Short-Term Investments				
Certificates of deposit	3,757,479	--	3,757,479	--
Money market funds	2,051,840	2,051,840	--	--
Corporate bonds and notes	6,788,141	--	6,788,141	--
US Treasury obligations	1,799,311	1,799,311	--	--
US Government agency obligations	1,385,912	--	1,385,912	--
Municipal bonds	406,197	--	406,197	--
Total short-term investments	16,188,880	3,851,151	12,337,729	--
Total	$ 38,427,137	25,884,132	12,543,005	--

(6) Property and Equipment

Property and equipment as of December 31, 2013 and 2012 is summarized as follows

	2013	2012
Land and land improvements	$ 4,471,601	4,471,601
Buildings and building service equipment	124,630,045	123,157,487
Equipment and furnishings	68,876,758	66,085,812
Total property and equipment at cost	197,978,404	193,714,900
Accumulated depreciation	(99,783,236)	(88,458,176)
Construction in process	1,237,419	621,960
Property and equipment, net	$ 99,432,587	105,878,684

Depreciation expense of $11,490,729 and $11,694,906 in 2013 and 2012, respectively, is included in the consolidated statements of operations

(7) Other Assets, Net

Other assets as of December 31, 2013 and 2012 are summarized as follows

	2013	2012
Deferred bond issuance costs, net	$ 952,826	1,012,125
Investment in Northeast Nebraska Surgery Center, LLC (NNSC)	2,327,369	1,781,791
Investments in joint ventures and other	293,493	308,492
Physician advances, net	973,730	693,445
Total other assets, net	$ 4,547,418	3,795,853

Deferred bond issuance costs are being amortized over the life of the related bonds on a straight-line basis Amortization expense of $51,799 in 2013 and $133,983 in 2012 is included in the accompanying consolidated statements of operations

Faith is accounting for its investments in NNSC and other joint ventures by the equity method of accounting, under which, Faith's share of the net gain (loss) is recognized on Faith's consolidated statements of operations Dividends received are treated as reductions of the investment account

A summary of joint venture gain in 2013 and 2012 is as follows

	2013	2012
NNSC	$ 622,078	321,140
All other joint ventures	128,213	191,144
Total joint venture gain	$ 750,291	512,284

See footnote 18 regarding related party transactions for further information regarding NNSC

Faith has entered into several agreements to recruit and relocate needed physicians to Faith's service area All monies advanced under these agreements will be forgiven over a one to three year period in which the physician practices in the community Advances must be repaid with interest if the physician fails to fulfill their contract responsibilities

Faith has also entered into several agreements to assist needed physicians with qualified expenses incurred during their healthcare professional education All monies paid under agreements will be paid on the anniversary date of the physician's contract and only paid after the physician maintains a satisfactory medical practice within the community

The following illustrates amounts advanced under these agreements and applicable amortization expense (included in supplies and other in the accompanying consolidated statements of operations) for 2013 and 2012

		2013	2012
Physician advances –			
Beginning of year	$	693,445	313,185
Advances		677,626	781,155
Amortization		(397,341)	(400,895)
End of year	$	973,730	693,445

(8) Long-Term Debt

A summary of long-term debt obligations at December 31, 2013 and 2012 is as follows

		2013	2012
Hospital Authority No 1 of Madison County, Nebraska, Hospital Revenue and Refunding Bonds (Faith Regional Health Services Project), Series 2008A due serially on July 1 of each year to 2033, with principal payments ranging from $1,640,000 to $3,600,000 and interest rates ranging from 4 50% to 6 00%, due on July 1, and January 1, secured by a first mortgage lien upon the facilities owned by LCHA and Faith	$	52,189,832	55,087,888
Hospital Authority No 1 of Madison County, Nebraska, Hospital Variable Rate Demand Revenue Bonds (Faith Regional Health Services Project), Series 2008B due serially on January 1 each year beginning in 2019 to 2025, with principal payments ranging from $1,335,000 to $3,170,000 and interest due monthly as determined daily by the remarketing agent (0% at December 31, 2013), secured by a direct-pay letter of credit with a national bank		15,000,000	15,000,000
3 01% note, payable in quarterly installments of $75,130, including interest, through February 2019, secured by a medical office building owned by Faith		4,323,131	5,086,729
2 85% note, payable in quarterly installment of $75,519, including interest, through February 2019, secured by a medical office building owned by Faith		4,319,937	5,086,349
Total long-term debt		75,832,900	80,260,966
Less current installments of long-term debt		4,603,805	4,428,216
Long-term debt, net of current portion	$	71,229,095	75,832,750

In connection with the debt offerings, Faith executed a Master Trust Indenture ("Indenture") for the Series 2008A Bonds in July 2008 and the Series 2008B Bonds in November 2008

The Series 2008B Variable Rate Demand Revenue Bonds bear interest at a variable rate, determined pursuant to the Series 2008B Indenture, and pursuant to the related remarketing agreement with Wells Fargo Brokerage Services, LLC Payments to bondholders of principal and interest on the Series 2008B Bonds, together with payment of the purchase price of bonds put by bondholders, is made pursuant to draws on a direct-pay letter of credit issued by U S Bank National Association (the Bank) for the Series 2008B Bonds, pursuant to a separate letter of Credit Agreement (the LOC Agreement) between the Bank and Faith

Under the Terms of the LOC Agreement, if any Series 2008B bonds are not remarketed and the Bank is not immediately reimbursed for the payment of the purchase price of such bonds, the obligation of Faith to reimburse the Bank for the draw on the LOC to purchase the Series 2008B Bonds will be a term loan from the Bank to Faith At December 31, 2013, all bonds had been successfully remarketed The fees of the Bank and the Remarketing Agent were $221,744 and $271,336 in 2013 and 2012, respectively and was expensed as purchased services and professional fees

The 2008 Bond Indenture requires a mandatory purchase of the Series 2008B Bonds upon the expiration of the LOC If the LOC is not extended, or if a substitute liquidity facility or LOC is not obtained, the bonds will be purchased using monies drawn from the LOC prior to their expiration and held pursuant to the terms of the 2008B Bond Indentures and the LOC Agreement until any subsequent remarketing If this would occur, then the first payment is due the first day of the quarter that is 366 days after the LOC draw The current LOC expires November 19, 2014

Under the terms of the Series Indentures, Faith is required to maintain certain deposits with a trustee Such deposits are included with assets limited as to use The revenue bond indentures also place limits on the incurrence of additional borrowings and requires that Faith satisfy certain measures of financial performance as long as the bonds are outstanding

The aggregate maturities of all long-term debt during each of the next five years are as follows

Year	Amount
2014	$ 4,603,805
2015	4,949,396
2016	5,033,688
2017	5,377,191
2018	5,499,389
Thereafter	50,369,431
Total long-term debt	$ 75,832,900

(9) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets were available for the following purposes at December 31, 2013 and 2012

		2013	2012
Carson cancer center	$	2,141,513	1,328,773
Debt repayment		757,612	--
Time restricted general gift		305,834	305,834
Cardio/Pulmonary rehabilitation		180,465	163,828
Children's advocacy center		121,583	102,909
Pediatrics		41,699	45,505
Hospice		39,160	35,789
Cardiac services		33,468	29,984
Bed addition		28,750	792,594
Education		27,323	19,941
Other		189,458	99,197
Total temporarily restricted net assets	$	3,866,865	2,924,354

Permanently restricted net assets as of December 31, 2013 and 2012 were as follows

		2013	2012
Carson cancer center	$	5,101,236	5,095,256
Forever Caring general endowment		233,316	232,316
Hospice		20,643	20,643
Other		58,580	39,661
Total permanently restricted net assets	$	5,413,775	5,387,876

(10) Endowment

Faith has adopted the provisions of FASB ASC Topic 958 Subtopic 205 Section 05, *Endowments of Not-for-Profit Organizations Net Asset Classifications of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for all Endowment Funds* The ASC provides guidance on classifying net assets associated with donor restricted endowment funds held by organizations that are subject to an enacted version of Uniform Prudent Management of Institutional Funds Act (UPMIFA) A key component of the ASC is a requirement to classify the portion of a donor-restricted endowment fund that is not classified as permanently restricted net assets as temporarily restricted net assets until appropriated for expenditure Another key component of the ASC is a requirement for expanded disclosures about all endowment funds The State of Nebraska adopted a version of UPMIFA effective September 1, 2007

Faith's endowment consists of approximately six individual funds established for a variety of purposes Its endowment includes donor restricted endowment funds As required by GAAP, net assets associated with endowment funds, including funds designated by the governing board to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions

Interpretation of Relevant Law – Faith's governing board has interpreted the UPMIFA enacted in the State of Nebraska as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary As a result of this interpretation, Faith classifies as permanently restricted net asset (a) the original value of the gifts donated to the permanent endowment, (b) the original value of the subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund

The remaining portion of the donor restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted or board designated net assets until those amounts are appropriated for expenditure by Faith in a manner consistent with the standard of prudence prescribed by UPMIFA In accordance with UPMIFA, Faith considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds

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

Endowment net asset composition consists of the following as of December 31, 2013 and 2012

	December 31, 2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ 51,059	1,600,459	5,413,775	7,065,293

	December 31, 2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ 45,192	591,503	5,387,876	6,024,571

Changes in endowment net assets for the years ended December 31, 2013 and 2012 are as follows

	December 31, 2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets December 31, 2012	$ 45,192	591,503	5,387,876	6,024,571
Investment return				
Investment income	5,867	98,083	--	103,950
Change in unrealized gains and losses on other than trading securities	--	925,724	--	925,724
Total investment return	5,867	1,023,807	--	1,029,674
Contributions	--	--	25,899	25,899
Appropriation of endowment assets for expenditure	--	(14,851)	--	(14,851)
Endowment net assets, December 31, 2013	$ 51,059	1,600,459	5,413,775	7,065,293

	December 31, 2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets December 31, 2011	$ 38,823	163,576	5,375,862	5,578,261
Investment return				
Investment income	6,369	23,648	--	30,017
Change in unrealized gains and losses on other than trading securities	--	414,371	--	414,371
Total investment return	6,369	438,019	--	444,388
Contributions	--	--	12,014	12,014
Appropriation of endowment assets for expenditure	--	(10,092)	--	(10,092)
Endowment net assets, December 31, 2012	$ 45,192	591,503	5,387,876	6,024,571

Return Objectives and Risk Parameters – Faith has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets Endowment assets include those assets of donor restricted funds that Faith must hold in perpetuity or for a donor specified period(s) as well as board designated funds Under this policy, as approved by the governing board, the endowment assets are invested in a manner that is intended to produce results that exceed anticipated spending while assuming a moderate level of investment risk Faith expects its endowment funds, over time, to provide an average annual rate of approximately 8% annually Actual returns in any year may vary from this amount

Strategies Employed for Achieving Objectives – To satisfy its long-term rate of return objectives, Faith relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends) Faith targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints

Spending Policy and How the Investment Objectives Relate to Spending Policy – Faith has a policy of appropriating for distribution each year of up to 4% of its endowment fund's average fair value over the prior 12 months through the calendar year-end preceding the fiscal year in which the distribution is planned In establishing this policy, Faith considered the long-term expected return on its endowment Accordingly, over the long-term, Faith expects the current spending policy to allow its endowment to grow at an average of 4% annually This is consistent with Faith's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return

(11) Professional Liability Insurance

Faith carries a general and professional liability policy (including malpractice), which provides $1,000,000 of coverage for injuries per occurrence and $3,000,000 aggregate coverage In addition, Faith carries an umbrella policy that also provides $10,000,000 per occurrence and aggregate coverage These policies provide coverage on a claims-made basis covering only those claims that have occurred and are reported to the insurance company while the coverage is in force In the event Faith should elect not to purchase insurance from the present carrier or the carrier should elect not to renew the policy, any unreported claims that occurred during the policy year may not be recoverable from the carrier

Accounting principles generally accepted in the United States of America require a healthcare provider to recognize the ultimate costs of malpractice claims or similar contingent liabilities, which include costs associated with litigating or settling claims, when the incidents that give rise to the claims occur Faith does evaluate all incidents and claims along with prior claim experienced to determine if a liability is to be recognized For the years ending December 31, 2013 and 2012, management determined no liability should be recognized for asserted or unasserted claims Management is not aware of any such claim that would have a material adverse impact on the accompanying consolidated financial statements

(12) Commitments and Contingencies

Operating Leases

Faith leases various facilities under operating leases expiring at various dates through October 2014 Total rental expense in 2013 and 2012 for operating leases was approximately $1,616,042 and $1,619,288, respectively

The following is a schedule by year of future minimum lease payments under operating leases as of December 31, 2013, that have initial lease terms in excess of one year

Year Ending	Amount
2014	$ 1,656,422
2015	955,018
2016	692,337
2017	231,050

Software Maintenance Agreement

Faith extended a long-term agreement with Siemens Corporation (Siemens) in September 2009 to provide software maintenance until December 31, 2020 Total software maintenance expense under this agreement for 2013 and 2012 was $1,519,206 and $1,462,964

Litigation

Faith is involved in litigation and regulatory investigations arising in the course of business Nearly all of these claims are covered under policies of their current insurance carrier After consultation with legal counsel, management estimates these matters will be resolved without material adverse affect on Faith's future financial position or results from operations

(13) Rental Income

Faith is the lessor of certain space under various noncancelable-operating leases with terms from one to ten years Rental income is recorded monthly in other revenue as earned

The following is a schedule by year of future minimum receipts under operating leases as of December 31, 2013, that have initial lease terms in excess of one year

Year	Amount
2014	$ 1,141,824
2015	658,421
2016	227,565
2017	99,555
2018	99,555
Thereafter	391,958

See footnote 18 regarding rental income received from related parties

(14) Employee Benefits

Faith has a defined contribution pension plan The plan is available to all Faith employees over 21 years of age who have completed six months of service and work 1,000 hours or more each year and permits Faith to contribute dollars on behalf of the employee for withdrawal in future years The participants are fully vested after three years of employment The deferred compensation is not available to employees until termination, retirement or death

The following schedule shows the percentage of contribution for the participants and employers depending on their years of service

Years of Service	Participants Contribution	Faith Contribution
1 but less than 5	3 0%	3 0%
5 but less than 10	4 0%	4 0%
10 but less than 15	5 0%	5 0%
15 or more	5 0%	5 0%

Total pension expense for the period ended December 31, 2013 and 2012 was $2,562,401 and $2,709,346, respectively

Faith has a deferred compensation plan for a select group of management and highly compensated employees Eligible employees may defer a portion of their salaries up to the maximum amount allowed by Section 457(b) of the Code into a separate investment account in which the employee has the right to direct the investment of the funds in accordance with investment guidelines established by Faith The deferred compensation is not available to the employees until retirement, separation from employment, death, or attaining age 70½ The employer is the beneficial owner of all assets the employee placed in the plan The employee is fully vested in all amounts credited to his or her account Faith did not make any contributions to the plan on behalf of any participant for the year ended December 31, 2013 and 2012

The deferred compensation assets related to the plan in the amount of $3,064,874 and $2,374,634 as of December 31, 2013 and 2012, respectively, are included within the accompanying consolidated balance sheet as assets limited as to use A liability of $3,064,874 and $2,374,634 as of December 31, 2013 and 2012, respectively, based on the fair value of the assets, has also been included within the accompanying consolidated balance sheet as other long term liabilities

(15) Other Operating Revenue

Other operating revenue for the years ended December 31, 2013 and 2012 consists of the following

	2013	2012
Rental of space	$ 1,474,837	1,404,473
NNSC leased employees	1,188,167	1,113,608
Pharmacy sales to nonpatients	997,028	1,064,490
CMS and NE DHHS electronic health records incentive payments	1,073,525	943,407
Regional hospital affiliation management	697,904	1,257,902
Physician practice management	413,970	563,639
Contract services	363,923	353,770
Cafeteria and vending	358,821	349,048
Child Advocacy grants	283,674	275,155
Laboratory	93,295	141,190
Volunteer receipts / clothing sales	74,514	71,338
Transcription	47,627	86,428
Insurance proceeds	--	915,004
Other	211,112	396,238
Total other operating revenue	$ 7,278,397	8,935,690

Meaningful Use of Certified Electronic Health Record Technology Incentive Payments

The Health Information Technology for Economic and Clinical Health Act contains specific financial incentive payments beginning in 2011 to certain hospitals and professionals that implement and achieve meaningful use of certified electronic health record (EHR) technology in ways that demonstrate improved quality and effectiveness of care Specific criteria is set by the Center for Medicare and Medicaid Services (CMS) Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period An initial Medicaid incentive payment is available to providers that adopt, implement, or upgrade certified EHR technology However, in order to receive additional Medicaid incentive payments in subsequent years, providers must demonstrate continued meaningful use of EHR technology

Faith accounts for meaningful use incentive payments under the grant accounting model Medicare EHR incentive payments are recognized as revenue when eligible providers demonstrate meaningful use of certified EHR technology and data is available to estimate the incentive payments for each period (a 365 day period after the initial 90 day attestation period) Medicaid EHR incentive payments are recognized as revenue when an eligible provider demonstrates meaningful use of certified EHR technology for each period Faith recognized $848,30 and $225,155, respectively, of Medicare and Medicaid meaningful use grant revenue in other operating revenue in its consolidated statement of operations for the year ended December 31, 2013 and $943,407 of Medicare meaningful use grant revenue for the year ended December 31, 2012

An incentive receivable of $830,736 and $1,199,493, respectively, has been recognized in the consolidated balance sheets as of December 31, 2013 and 2012 as part of other receivables The amounts recognized are based on management's best estimates and are subject to change, which would be recognized in the period in which the change occurred

(16) Concentrations of Credit Risk

Faith grants credits without collateral to its patients, most of who are local residents and are insured under third-party payor agreements The mix of receivables from patients and third-party payors was as follows

	2013	2012
Medicare	29%	34%
Medicare HMO	5	4
Medicaid	9	8
PPO contracts	20	17
Other third-party payors	11	11
Private pay	26	26
	100%	100%

Faith maintains deposits in excess of Federal Deposit Insurance Corporation limits Faith routinely invests its funds in mutual funds, corporate bonds, U S Treasury Notes and federal agency securities Investments in these funds are not entirely insured or guaranteed Management believes that credit risk related to these deposits and investments is minimal

(17) Behavioral Health Services

Faith has a contract with Region IV Mental Health and Substance Abuse Services District for reimbursement of providing behavioral health services The current contract is effective through June 30, 2014 Payments received for fiscal year 2013 behavioral health services were as follows

January 1, 2013 through June 30, 2013	$ 945,841
July 1, 2013 through December 31, 2013	1,305,479

(18) Related Party Transactions

Northeast Nebraska Surgery Center, LLC

Faith holds a majority interest in NNSC and has a 50% voting interest on the Management Board of NNSC The carrying amount of the investment included in other assets (see Note 7) in the consolidated balance sheets is as follows

	2013	2012
Beginning balance	$ 1,781,791	1,902,408
Share of operating gains	502,666	321,141
Dividends received	--	(441,758)
Equity adjustment	119,412	--
Sale of shares	(76,500)	--
Investment in NNSC	$ 2,327,369	1,781,791

At December 31, 2013 and 2012, NNSC was indebted to Faith in the amount of $310,553 and $326,706, respectively, for various services provided on behalf of NNSC This amount is included with other receivables in the consolidated balance sheets Rent paid to Faith in 2013 and 2012 was $276,600 and $273,052, respectively, and is included in the consolidated statements of operations Faith's share of NNSC's 2013 and 2012 operating income is included with joint venture gain, net in the consolidated statements of operations

Faith hires the employees of NNSC and leases them back to NNSC Salary and benefit expense paid by Faith in 2013 and 2012 was $1,188,167 and $1,113,608, respectively, and is included in the consolidated statements of operations

The future minimum lease receipts under the lease agreements are as follows

2014	$	278,374
2015		278,374
2016		92,791

(19) Functional Expenses

Faith provides general healthcare services to residents within its geographic location Expenses included in the consolidated statements of operations relate to the provision of these services

Faith Regional Health Services and Affiliates

Exhibit 1

Consolidating Balance Sheet
December 31, 2013

	Faith Regional Health Services	Faith Regional Physician Services, LLC	Faith Regional Health Services Foundation	Eliminations	Consolidated
ASSETS					
Current assets					
Cash and cash equivalents	$ 33,036,184	665,514	--	--	33,701,698
Short-term investments	15,721,734	--	--	--	15,721,734
Current portion of assets limited as to use	3,904,181	--	--	--	3,904,181
Receivables -					
Patients, net of estimated uncollectibles	18,885,890	1,521,594	--	--	20,407,484
Pledges	--	--	16,228	--	16,228
Other	3,754,277	1,098,273	--	(1,774,985)	3,077,565
Inventories	4,103,157	--	--	--	4,103,157
Prepaid expenses	1,339,680	7,338	--	--	1,347,018
Total current assets	80,745,103	3,292,719	16,228	(1,774,985)	82,279,065
Assets limited as to use, net of current portion	6,476,153	2,499,346	10,467,102	--	19,442,601
Property and equipment, net	99,099,121	333,466	--	--	99,432,587
Other assets, net	4,120,139	--	--	427,279	4,547,418
Total assets	$ 190,440,516	6,125,531	10,483,330	(1,347,706)	205,701,671
LIABILITIES AND NET ASSETS					
Current liabilities					
Current portion of long-term debt	$ 4,603,805	--	--	--	4,603,805
Accounts payable -					
Trade	7,181,637	832,769	117,771	(1,774,985)	6,357,192
Construction	618,758	--	--	--	618,758
Accrued salaries, vacation and benefits payable	8,156,436	3,220,695	--	--	11,377,131
Accrued interest payable	1,518,082	--	--	--	1,518,082
Estimated third-party payor settlements	2,046,955	--	--	--	2,046,955
Total current liabilities	24,125,673	4,053,464	117,771	(1,774,985)	26,521,923
Long-term debt, net of current portion	71,229,095	--	--	--	71,229,095
Other long-term liabilities	565,528	2,499,346	--	--	3,064,874
Total liabilities	95,920,296	6,552,810	117,771	(1,774,985)	100,815,892
Net assets (liabilities)					
Unrestricted	93,730,635	(427,279)	1,874,504	427,279	95,605,139
Temporarily restricted	789,585	--	3,077,280	--	3,866,865
Permanently restricted	--	--	5,413,775	--	5,413,775
Total net assets (liabilities)	94,520,220	(427,279)	10,365,559	427,279	104,885,779
Total liabilities and net assets	$ 190,440,516	6,125,531	10,483,330	(1,347,706)	205,701,671

Faith Regional Health Services and Affiliates

Exhibit 2

Consolidating Statement of Operations
For the Year Ended December 31, 2013

	Faith Regional Health Services	Faith Regional Physician Services, LLC	Faith Regional Health Services Foundation	Eliminations	Consolidated
UNRESTRICTED REVENUE					
Net patient service revenue	$ 150,018,570	9,955,254	--	--	159,973,824
Provision for bad debts	(6,894,719)	(392,619)	--	--	(7,287,338)
Net patient service revenue less provision for bad debts	143,123,851	9,562,635	--	--	152,686,486
Other operating revenue	9,455,068	10,608,548	--	(12,785,219)	7,278,397
Loss on disposal of property and equipment	607	--	--	--	607
Total unrestricted revenue	152,579,526	20,171,183	--	(12,785,219)	159,965,490
EXPENSES					
Salaries and wages	43,958,098	21,804,704	--	--	65,762,802
Employee benefits	12,164,206	3,145,954	--	--	15,310,160
Contract labor	14,481,241	--	--	(9,577,000)	4,904,241
Purchased services and professional fees	12,577,222	2,716,819	--	(1,678,461)	13,615,580
Supplies and other	32,181,702	977,811	--	32,729	33,192,242
Occupancy costs	7,393,549	857,306	--	(732,396)	7,518,459
Insurance	702,045	193,668	--	--	895,713
Depreciation and amortization	11,476,248	66,280	--	--	11,542,528
Interest	3,444,578	--	--	--	3,444,578
Total expenses	138,378,889	29,762,542	--	(11,955,128)	156,186,303
OPERATING INCOME (LOSS)	14,200,637	(9,591,359)	--	(830,091)	3,779,187
NONOPERATING GAINS (LOSSES)					
Investment income	328,896	--	48,663	--	377,559
Joint venture gain (loss), net	(8,841,068)	--	--	9,591,359	750,291
Unrestricted gifts, grants and bequests	--	--	311,714	--	311,714
Fundraising expenses	(336,408)	--	(190,530)	--	(526,938)
Nonoperating gains (losses), net	(8,848,580)	--	169,847	9,591,359	912,626
EXCESS OF REVENUE OVER (UNDER) EXPENSES	5,352,057	(9,591,359)	169,847	8,761,268	4,691,813
GIFTS, GRANTS AND BEQUESTS FOR PURCHASE OF PROPERTY AND EQUIPMENT	125,387	--	--	(125,387)	--
GRANTS TO AFFILIATES	--	--	(955,478)	955,478	--
CHANGE IN NET UNREALIZED GAINS AND LOSSES ON OTHER THAN TRADING SECURITIES	9,150	--	--	--	9,150
NET ASSETS RELEASED FROM RESTRICTIONS FOR THE PURCHASE OF PROPERTY AND EQUIPMENT	--	--	992,163	--	992,163
CONTRIBUTION OF CAPITAL	--	11,437,927	--	(11,437,927)	--
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	$ 5,486,594	1,846,568	206,532	(1,846,568)	5,693,126

Faith Regional Health Services and Affiliates

Exhibit 3

Consolidating Statement of Changes in Net Assets
For the Year Ended December 31, 2013

	Faith Regional Health Services	Faith Regional Physician Services, LLC	Faith Regional Health Services Foundation	Eliminations	Consolidated
UNRESTRICTED NET ASSETS					
Operating income (loss)	$ 14,200,637	(9,591,359)	--	(830,091)	3,779,187
Nonoperating gains (losses), net	(8,848,580)	--	169,847	9,591,359	912,626
Gifts, grants and bequests for purchase of property and equipment	125,387	--	--	(125,387)	--
Grants to affiliates	--	--	(955,478)	955,478	--
Change in net unrealized gains and losses on other than trading securities	9,150	--	--	--	9,150
Net assets released from restrictions for the purchase of property and equipment	--	--	992,163	--	992,163
Contribution of capital	--	11,437,927	--	(11,437,927)	--
Increase (decrease) in unrestricted net assets	5,486,594	1,846,568	206,532	(1,846,568)	5,693,126
TEMPORARILY RESTRICTED NET ASSETS					
Temporarily restricted contributions	752,850	--	158,017	--	910,867
Investment income	--	--	98,083	--	98,083
Change in net unrealized gains and losses on other than trading securities	--	--	925,724	--	925,724
Net assets released from restrictions used for the purchase of property and equipment	--	--	(992,163)	--	(992,163)
Increase in temporarily restricted net assets	752,850	--	189,661	--	942,511
PERMANENTLY RESTRICTED NET ASSETS,					
Permanently restricted contributions	--	--	25,899	--	25,899
INCREASE (DECREASE) IN NET ASSETS	6,239,444	1,846,568	422,092	(1,846,568)	6,661,536
NET ASSETS, beginning of year	88,280,776	(2,273,847)	9,943,467	2,273,847	98,224,243
NET ASSETS, end of year	$ 94,520,220	(427,279)	10,365,559	427,279	104,885,779