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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
MIAMI COUNTY MEDICAL CENTER INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
2100 BAPTISTE DRIVE
Suite

City or town, state or province, country, and ZIP or foreign postal code
PAOLA, KS 66071

D Employer identification number
48-1155548

E Telephone number
(913) 791-4461

G Gross receipts $ 20,990,247

F Name and address of principal officer
TIERNEY L GRASSER
20333 W 151ST STREET
OLATHE,KS 66061

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 OLATHEHEALTH ORG

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

L Year of formation 1994

M State of legal domicile KS

Part I Summary

1 Briefly describe the organization's mission or most significant activities
TO IMPROVE THE HEALTH OF ALL INDIVIDUALS IN THE COMMUNITIES WE SERVE BY PROVIDING COMPASSIONATE, QUALITY HEALTHCARE IN AN ENVIRONMENT OF TRUST AND COLLABORATION

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	3	5
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	5
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	173
6	Total number of volunteers (estimate if necessary)	6	25
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	10,603	12,681
9	Program service revenue (Part VIII, line 2g)	20,973,770	19,722,005
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	937,486	1,047,538
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	61,372	35,184
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	21,983,231	20,817,408
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	203,416	50,874
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)	9,527,171	9,399,234
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	10,244,313	9,822,944
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	19,974,900	19,273,052
19	Revenue less expenses Subtract line 18 from line 12	2,008,331	1,544,356

		Beginning of Current Year	End of Year
Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	47,588,359	54,395,788
21	Total liabilities (Part X, line 26)	6,897,391	6,263,791
22	Net assets or fund balances Subtract line 21 from line 20	40,690,968	48,131,997

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

****** | 2014-11-15
Signature of officer | Date

TIERNEY L GRASSER SENIOR VP/FINANCE
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Michael J Engle				P00482834
Firm's name ▶ BKD LLP			Firm's EIN ▶	
Firm's address ▶ 1201 Walnut Suite 1700 Kansas City, MO 641062246			Phone no (913) 791-4461	

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

MIAMI COUNTY MEDICAL CENTER, INC IS FOCUSED ON IMPROVING THE HEALTH OF ALL INDIVIDUALS IN THE COMMUNITIES WE SERVE BY PROVIDING COMPASSIONATE, QUALITY HEALTHCARE IN AN ENVIRONMENT OF TRUST AND COLLABORATION

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 $ 15,297,246 including grants of $ 50,874) (Revenue $ 19,722,005)

SEE SCHEDULE O

4b (Code) (Expenses $ including grants of $) (Revenue $)

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ 15,297,246

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	Yes	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or 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**	Yes	
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**		No
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	26		
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	173		
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		No
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		
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**	5		
	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**	5		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**		Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**		Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**		Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**		Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

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

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

Section C. Disclosure

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

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

▶ TIERNEY L GRASSER 20333 W 151ST STREET
OLATHE,KS 66061 (913) 791-4461

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) JACK TINNEL TRUSTEE/CHAIRPERSON	2 0 1 0	X		X				0	0	0
(2) DENISE GERMAN TRUSTEE/VICE CHAIRPERSON	1 0	X		X				0	0	0
(3) STEVE MILLER TRUSTEE/SECRETARY/TREASURER	1 0	X		X				0	0	0
(4) JOE MORELAND TRUSTEE	1 0	X						0	0	0
(5) CHIP WOOD TRUSTEE	1 0 5 0	X						0	0	0
(6) FRANK H DEVOCELLE PRESIDENT/CEO	7 0 41 0			X				0	935,868	14,626
(7) TIERNEY L GRASSER SENIOR VP/FINANCE	9 0 39 0			X				0	427,839	117,071
(8) GERALD WIESNER VICE PRESIDENT/OPERATIONS	40 0			X				242,850	0	3,872
(9) CHERYL L ROSS ASSISTANT SECRETARY	2 0 43 0			X				0	115,872	11,338
(10) PAUL W LUCE VICE PRESIDENT/OPERATIONS	45 0			X				132,337	0	17,627
(11) STACEY GRAY PHARMACY DIRECTOR	45 0					X		121,862	0	7,237
(12) TERESA LEVIN NURSE MANAGER- SURGERY	45 0					X		98,419	0	2,500

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								595,468	1,479,579	174,271

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 ▶ 3

			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
SW KS EMERGENCY PHYSICIANS LLP,	ER PHYSICIAN SERVICE	849,654
SHARED MEDICAL SERVICES,	MRI SERVICES	196,022
EMERGENCY MEDICINE CARE,	ER PHYSICIAN SERVICE	280,000
P1 GROUP INC,	HVAC SERVICE	109,067
DE MINT ANESTHESIA,	ANESTHESIA SERVICES	250,665
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 ▶ 5		

Part VIII Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations . . .	1d				
	e	Government grants (contributions)	1e	12,146			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	535			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		12,681			
Program Service Revenue			Business Code				
	2a	Net Patient Service Revenue	900099	18,251,005	18,251,005		
	b	EMR REVENUE	900099	1,471,000	1,471,000		
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		19,722,005			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		1,043,852			1,043,852
	4	Income from investment of tax-exempt bond proceeds . . ▶		0			
	5	Royalties . . . . . ▶		0			

		(i) Real	(ii) Personal				
	6a	Gross rents	82,386					
	b	Less rental expenses	165,525					
	c	Rental income or (loss)	-83,139	0				
	d	Net rental income or (loss) . . . . . ▶			-83,139			-83,139

		(i) Securities	(ii) Other				
	7a	Gross amount from sales of assets other than inventory	11,000				
	b	Less cost or other basis and sales expenses	7,314				
	c	Gain or (loss)	3,686				
	d	Net gain or (loss) . . . . . ▶			3,686			3,686
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 . . ▶			0			
	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 . . ▶			0			
	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 . . ▶			0			
		Miscellaneous Revenue	Business Code					
	11a	PURCHASE DISCOUNTS	900099		16,194			16,194
	b	Cafeteria	722210		22,194			22,194
	c	All Other Misc Revenue	900099		79,935			79,935
	d	All other revenue			79,935			79,935
	e	**Total.** Add lines 11a–11d . . . . . ▶			118,323			
	12	**Total revenue.** See Instructions . . . . . ▶			20,817,408	19,722,005		1,082,722

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	45,624	45,624		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	5,250	5,250		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	396,687	301,069	95,618	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	43,209	32,794	10,415	
7 Other salaries and wages	7,367,541	5,591,658	1,775,883	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	145,685	110,569	35,116	
9 Other employee benefits	958,575	727,519	231,056	
10 Payroll taxes	487,537	370,020	117,517	
11 Fees for services (non-employees)				
a Management	0			
b Legal	33,383		33,383	
c Accounting	36,067		36,067	
d Lobbying	4,481		4,481	
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	16,802		16,802	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	3,468,048	2,934,586	533,462	0
12 Advertising and promotion	103,159		103,159	
13 Office expenses	773,269	187,294	585,975	
14 Information technology	0			
15 Royalties . .	0			
16 Occupancy	390,369	330,623	59,746	
17 Travel	20,444	4,193	16,251	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	0			
20 Interest	205,873	175,187	30,686	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	971,236	826,469	144,767	
23 Insurance	128,647	109,472	19,175	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a Bad Debt Expense	1,890,488	1,890,488		
b Medical Supplies	1,520,489	1,520,489		
c Medicaid Assessment	71,942	71,942		
d Dues & Subscriptions	42,705	14,881	27,824	
e All other expenses	145,542	47,119	98,423	
25 **Total functional expenses.** Add lines 1 through 24e	19,273,052	15,297,246	3,975,806	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		1,509,325	1	1,411,355
	2	Savings and temporary cash investments		0	2	0
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		3,515,792	4	2,726,245
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	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		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		720,301	8	780,833
	9	Prepaid expenses and deferred charges		220,385	9	291,512
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 23,223,371			
	b	Less accumulated depreciation	10b 17,822,364	5,375,936	10c	5,401,007
	11	Investments—publicly traded securities		32,236,046	11	39,198,750
	12	Investments—other securities See Part IV, line 11		3,418,953	12	4,078,795
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		591,621	15	507,291
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		47,588,359	16	54,395,788
Liabilities	17	Accounts payable and accrued expenses		1,868,803	17	1,626,810
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		4,638,366	20	4,343,945
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	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		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	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		390,222	25	293,036
	26	**Total liabilities.** Add lines 17 through 25		6,897,391	26	6,263,791
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		40,674,545	27	48,112,844
	28	Temporarily restricted net assets		16,423	28	19,153
	29	Permanently restricted net assets		0	29	0
		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		40,690,968	33	48,131,997
	34	Total liabilities and net assets/fund balances		47,588,359	34	54,395,788

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	20,817,408
2	Total expenses (must equal Part IX, column (A), line 25)	2	19,273,052
3	Revenue less expenses Subtract line 2 from line 1	3	1,544,356
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	40,690,968
5	Net unrealized gains (losses) on investments	5	5,893,943
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	2,730
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	48,131,997

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
MIAMI COUNTY MEDICAL CENTER INC

Employer identification number
48-1155548

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
MIAMI COUNTY MEDICAL CENTER INC	48-1155548

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?	Yes		4,481
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?		No	
j	Total Add lines 1c through 1i			4,481
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 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
MIAMI COUNTY MEDICAL CENTER INC

Employer identification number
48-1155548

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	34,895,600	29,762,822	29,909,183	24,241,897	15,324,746
b	Contributions	681,000	670,994	401,968	2,406,369	3,571,697
c	Net investment earnings, gains, and losses	6,961,043	4,469,234	-522,248	3,273,465	5,368,894
d	Grants or scholarships					
e	Other expenditures for facilities and programs	17,730	7,450	26,081	12,548	23,440
f	Administrative expenses					
g	End of year balance	42,519,913	34,895,600	29,762,822	29,909,183	24,241,897

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

- a Board designated or quasi-endowment ▶ 99 990 %
- b Permanent endowment ▶
- c Temporarily restricted endowment ▶ 0 010 %

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,475,439		1,475,439
b Buildings		10,250,025	9,086,266	1,163,759
c Leasehold improvements				
d Equipment		10,885,293	8,335,632	2,549,661
e Other		612,614	400,466	212,148
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				5,401,007

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		
(3) Other		
(A) INVESTMENT IN SSGA	4,078,795	F
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	4,078,795	

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	0
DUE TO AFFILIATES	293,036
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	293,036

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	327,776,108
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	5,893,943		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	302,972,047		
e	Add lines **2a** through **2d**			2e	308,865,990
3	Subtract line **2e** from line **1**			3	18,910,118
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	16,802		
b	Other (Describe in Part XIII)	4b	1,890,488		
c	Add lines **4a** and **4b**			4c	1,907,290
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	20,817,408

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	263,791,820
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	246,426,058		
e	Add lines **2a** through **2d**			2e	246,426,058
3	Subtract line **2e** from line **1**			3	17,365,762
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	16,802		
b	Other (Describe in Part XIII)	4b	1,890,488		
c	Add lines **4a** and **4b**			4c	1,907,290
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	19,273,052

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
SCHEDULE D, PART V, LINE 4	THE ENDOWMENT FUNDS ARE HELD FOR FUTURE CAPITAL AND EXPANSION NEEDS IN ADDITION, THE FUNDS ALSO REPRESENT RESERVES FOR OPERATING NEEDS TO REMAIN FINANCIALLY STABLE
SCHEDULE D, PART X, LINE 2	MANAGEMENT HAS EVALUATED THEIR INCOME TAX POSITIONS UNDER THE GUIDANCE INCLUDED IN ASC 740 BASED ON THEIR REVIEW, MANAGEMENT HAS NOT IDENTIFIED ANY MATERIAL UNCERTAIN TAX POSITIONS TO BE RECORDED OR DISCLOSED IN THE FINANCIAL STATEMENTS
SCHEDULE D, PART XI, LINES 2D & 4B	LINE 2D RELATED ORGANIZATIONS' REVENUE $302,806,522 RENTAL EXPENSES $ 165,525 ---------- TOTAL $302,972,047 LINE 4B BAD DEBT EXPENSE $ 1,890,448
SCHEDULE D, PART XII, LINES 2D & 4B	LINE 2D RELATED ORGANIZATIONS' EXPENSES $246,260,533 RENTAL EXPENSES $ 165,525 ---------- TOTAL $246,426,058 LINE 4B BAD DEBT EXPENSE $ 1,890,488

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
MIAMI COUNTY MEDICAL CENTER INC

Employer identification number
48-1155548

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)	2,277	1,008	759,662		759,662	4 370 %
b Medicaid (from Worksheet 3, column a)	5,892	1,739	1,931,466	805,719	1,125,747	6 480 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs	8,169	2,747	2,691,128	805,719	1,885,409	10 850 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	5	607	6,887		6,887	0 040 %
f Health professions education (from Worksheet 5)	5	32	54,662		54,662	0 310 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)	7		28,656		28,656	0 160 %
j **Total.** Other Benefits	17	639	90,205		90,205	0 510 %
k **Total.** Add lines 7d and 7j	8,186	3,386	2,781,333	805,719	1,975,614	11 360 %

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	2		4,552		4,552	0 030 %
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 **Total**	2		4,552		4,552	0 030 %

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	643,688		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	5,238,693
6	Enter Medicare allowable costs of care relating to payments on line 5	6	7,419,007
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-2,180,314
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					
2					
3					
4					
5					
6					
7					
8					
9					
10					
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Part V Facility Information

Section A. Hospital Facilities

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

	Name, address, primary website address, and state license number	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
	See Additional Data Table										

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group MIAMI COUNTY MEDICAL CENTER

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

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 2013			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW.OLATHEHEALTH.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**		No
If "Yes," indicate the FPG family income limit for eligibility for free care __% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 200 % If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☑ State regulation			
h ☑ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☑ The policy was attached to billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information *(continued)*

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

Form and Line Reference	Explanation
SCHEDULE H, PART V, SECTION B, LINE 3	AS PART OF THE COMMUNITY HEALTH NEEDS ASSESSMENT, MIAMI COUNTY MEDICAL CENTER CONDUCTED A TOWN HALL MEETING ON THURSDAY, NOVEMBER 1, 2012 THE COMMUNITY MEMBERS INVITED TO THIS TOWN HALL REPRESENT THE BROAD INTERESTS OF THE COMMUNITY SERVED BY THE HOSPITAL FACILITY, INCLUDING INDIVIDUALS WITH SPECIAL KNOWLEDGE AND EXPERTISE IN PUBLIC HEALTH THIS INCLUDES PEOPLE REPRESENTING THE FOLLOWING GROUPS LOCAL HOSPITAL, PUBLIC HEALTH COMMUNITY, MENTAL HEALTH COMMUNITY, FREE CLINICS, COMMUNITY-BASED CLINICS, SERVICE PROVIDERS, LOCAL RESIDENTS, COMMUNITY LEADERS, OPINIONLEADERS, SCHOOL LEADERS, BUSINESS LEADERS, LOCAL GOVERNMENT, FAITH-BASED ORGANIZATIONS AND PERSONS (OR ORGANIZATIONS SERVING THEM), PEOPLE WITH CHRONIC CONDITIONS, UNINSURED COMMUNITY MEMBERS, LOW INCOME RESIDENTS, AND MINORITY GROUPS SECTION V OF THE CHNA PROVIDES A LIST OF THE TOWN HALL ATTENDEES AND NOTES FROM THE MEETING ALL PRIORITY-SETTING AND SCORING PROCESSES AT THE TOWN HALL MEETING INVOLVED THE INPUT OF KEY STAKEHOLDERS IN ATTENDANCE THE MEETING INCLUDED A DISCUSSION OF COMMUNITY HEALTH DATA, REFLECTION ON SIZE AND SERIOUSNESS OF ANY HEALTH CONCERNS, AND DISCUSSION OF CURRENT COMMUNITY HEALTH STRENGTHS PARTICIPANTS WERE THEN ASKED TO RANK THE COMMUNITY HEALTH CONCERNS CITED DURING THE MEETING AND FROM THE PRIMARY AND SECONDARY RESEARCH ALREADY COMPLETED (PRIMARY RESEARCH SURVEY WAS CONDUCTED DURING SEPTEMBER-NOVEMBER 2012 BY ETC INSTITUTE ON BEHALF OF OLATHE HEALTH SYSTEM)
SCHEDULE H, PART V, SECTION B, LINE 7	In the fall of 2013, MCMCI developed a Community Health Improvement Plan to address the top health-need priorities that were identified through the assessment described above THE PLAN was approved by the MCMCI Board of Trustees in October 2013 This is a three-year plan, which begins implementation in 2014 THE PLAN speaks to each health need priority, outlining MCMCI's initiative(s) to address the need and the anticipated community impact You can read the full Community Health Needs Assessment and Community Health Improvement Plan documents on our website at olathehealth org/community
SCHEDULE H, PART V, SECTION B, LINE 10	MIAMI COUNTY MEDICAL CENTER, INC (MCMCI) DOES NOT OFFER FREE CARE EXCEPT IN CASE OF DEATH IN ALL OTHER CASES WE WILL DISCOUNT UP TO 99% OF TOTAL CHARGES FOR PATIENTS AT OR BELOW THE FEDERAL POVERTY GUIDELINES ALL PATIENTS ARE EXPECTED TO CONTRIBUTE TO THEIR CARE IN ACCORDANCE WITH THEIR ABILITY EXTRAORDINARY MEDICAL EXPENSES THAT EXCEED 25% OF ANNUAL HOUSEHOLD INCOME, EVEN IF ANNUAL HOUSEHOLD INCOME IS MORE THAN 200% OF THE FEDERAL POVERTY GUIDELINES, MAY ALSO BE ELIGIBLE FOR A FINANCIAL HARDSHIP DISCOUNT
SCHEDULE H, PART V, SECTION B, LINE 14	MIAMI COUNTY MEDICAL CENTER PUBLICIZED THE FINANCIAL ASSISTANCE POLICY BY PUBLICIZING THE FINANCIAL ASSISTANCE PROGRAM IN THE FOLLOWING MANNER THE FINANICAL ASSISTANCE PROGRAM WAS PUBLICIZED ON THE HOSPITAL'S WEBSITE, ON EACH PATIENT BILL AND WITH SIGNS IN REGISTRATION AREAS AND IN PATIENT FINANCIAL SERVICES APPLICATIONS ARE GIVEN TO PATIENTS DURING REGISTRATION UPON REQUEST OR CONCERN EXPRESSED ABOUT PAYMENT
SCHEDULE H, PART V, SECTION B, LINE 16	MIAMI COUNTY MEDICAL CENTER DOES NOT PERMIT ANY OF THE ACTIONS LISTED WITHOUT MAKING A REASONABLE EFFORT TO DETERMINE THE PATIENT'S ELIGIBILITY UNDER THE FACILITY'S FINANCIAL ASSISTANCE PROGRAM

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? **2**

	Name and address	Type of Facility (describe)
1	LOUISBURG REHAB OF MIAMI CTY MEDICAL CTR 102 W CRESTVIEW CIRCLE LOUISBURG,KS 66053	OUTPATIENT REHABILITATION CLINIC
2	OSAWATOMIE REHAB OF MIAMI CTY MED CENTER 539 MAIN STREET OSAWATOMIE,KS 66064	OUTPATIENT REHABILITATION CLINIC
3		
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Provide the following information

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

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

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Form and Line Reference	Explanation
SCHEDULE H, PART I, LINE 3A	MIAMI COUNTY MEDICAL CENTER, INC (MCMCI) DOES NOT OFFER FREE CARE EXCEPT IN CASE OF DEATH IN ALL OTHER CASES WE WILL DISCOUNT UP TO 99% OF TOTAL CHARGES FOR PATIENTS AT OR BELOW THE FEDERAL POVERTY GUIDELINES ALL PATIENTS ARE EXPECTED TO CONTRIBUTE TO THEIR CARE IN ACCORDANCE WITH THEIR ABILITY EXTRAORDINARY MEDICAL EXPENSES THAT EXCEED 25% OF ANNUAL HOUSEHOLD INCOME, EVEN IF ANNUAL HOUSEHOLD INCOME IS MORE THAN 200% OF THE FEDERAL POVERTY GUIDELINES, MAY ALSO BE ELIGIBLE FOR A FINANCIAL HARDSHIP DISCOUNT
SCHEDULE H, PART I, LINE 3C	MIAMI COUNTY MEDICAL CENTER, INC (MCMCI) OFFERS DISCOUNTED CARE TO ALL INDIVIDUALS WITHOUT INSURANCE, SIMILAR TO MANAGED CARE DISCOUNTS MCMCI'S UNINSURED DISCOUNT APPLIES TO ALL PATIENTS WITHOUT INSURANCE, REGARDLESS OF ABILITY TO PAY, INCLUDING ALL LOW INCOME INDIVIDUALS

Form and Line Reference	Explanation
SCHEDULE H, PART I, LINE 7, COLUMN F	THE BAD DEBT EXPENSE IS NOT CONSIDERED A COMMUNITY BENEFIT EXPENSE AND IS NOT INCLUDED IN SCHEDULE H, PART I, LINE 7 THE AMOUNT EXCLUDED IS $1,890,488
SCHEDULE H, PART I, LINE 7	THE COSTING METHODOLOGY USED TO CALCULATE THE AMOUNTS CONTAINED IN THE TABLE OF PART I, LINE 7, OF SCHEDULE H, IS A COST ACCOUNTING SYSTEM

Form and Line Reference	Explanation
SCHEDULE H, PART II	MIAMI COUNTY MEDICAL CENTER, INC (MCMCI) IS COMMITTED TO IMPROVING THE COMMUNITY WE SERVE OUR EMPLOYEES ARE INVOLVED IN A VARIETY OF ACTIVITIES IN OUR COMMUNITY THAT SUPPORT THE GENERAL ECONOMIC IMPROVEMENT OF OUR COMMUNITY, THE HEALTH, WELL BEING AND SAFETY OF OUR AREA'S RESIDENTS, AS WELL AS SUPPORTING PROGRAMS AND OTHER ORGANIZATIONS THAT REACH OUT TO OUR CITIZENS IN NEED A FEW EXAMPLES OF MCMCI'S INVOLVEMENT IN 2013 INCLUDE 1) INVOLVEMENT IN THE MIAMI COUNTY ECONOMIC DEVELOPMENT ADVISORY BOARD AND LOCAL CIVIC ORGANIZATIONS 2) OUR SUPPORT OF JOHNSON COUNTY HEALTH PARTNERSHIPS, A CLINIC SERVING THE UNINSURED OF OUR COMMUNITY 3) PARTICIPATION IN COMMUNITY ORGANIZATIONS AND EVENTS THROUGH DONATIONS AND BY PROVIDING HEALTH EDUCATION AND SERVICES SOME OF THESE GROUPS INCLUDE BOYS SCOUTS OF AMERICA, MIAMI AND LINN COUNTY FAIRS, LOCAL CHAMBERS AND ROTARY CLUBS 4) LEADERSHIP AND PARTICIPATION IN OUR AREA'S EMERGENCY PREPAREDNESS EFFORT BY COORDINATING EXTENSIVE DRILLS TO PRACTICE OUR RESPONSE TO POTENTIAL SITUATIONS 5) PARTICIPATION IN THE PAOLA PATHWAYS ORGANIZATION, A GROUP WHO IS DEVELOPING WALKING/BICYCLING TRAILS IN AND AROUND PAOLA, AND THE MOUND CITY TRAIL PROJECT
SCHEDULE H, PART III, SECTION A, LINE 2	THE COSTING METHODOLOGY USED TO CALCULATE THE AMOUNTS CONTAINED IN THE TABLE OF PART III, LINE 2, OF SCHEDULE H, IS A COST ACCOUNTING SYSTEM

Form and Line Reference	Explanation
SCHEDULE H, PART III, SECTION A, LINE 4	SEE PAGE 9 OF THE ATTACHED AUDITED FINANCIAL STATEMENTS
SCHEDULE H, PART III, SECTION B, LINE 8	Part III, Line 8 Medicare allowable costs were calculated using a cost accounting system Shortfalls arise from payments that are less than the costs to provide the services We accept all Medicare patients knowing that the cost of providing the care may exceed the payment we receive from the Medicare program The shortfall should be considered community benefit as Medicare shortfalls must be absorbed by the hospital in order to continue treating the elderly in our community IT is also implied in Internal Revenue Service ruling 69-545 that treating Medicare patients is a community benefit Revenue ruling 69-545 established the community benefit standard for tax-exempt hospitals and indicates that participation in publicly-financed programs, such as Medicare, is evidence that a hospital meets the community benefit standard

Form and Line Reference	Explanation
SCHEDULE H, PART III, SECTION C, LINE 9B	BEFORE PLACEMENT WITH COLLECTION AGENCIES, MCMCI PATIENT FINANCIAL SERVICES OFFERS VARIOUS OPTIONS FOR PATIENTS WITH FINANCIAL DIFFICULTIES IN ADDITION TO OFFERING OUR OWN FINANCIAL ASSISTANCE TO QUALIFYING INDIVIDUALS, MCMCI CONTRACTS WITH AN AGENCY THAT SCREENS INDIVIDUALS FOR ELIGIBILITY FOR PROGRAMS LIKE MEDICAID, DISABILITY, AND CRIME VICTIM'S COMPENSATION AND THEN HELPS THEM THROUGH THE APPLICATION PROCESS THE USE OF PROPENSITY TO PAY (LIKELIHOOD TO PAY) SOFTWARE ALSO HELPS MCMCI IDENTIFY INDIVIDUALS THAT MAY NEED ASSISTANCE THAT HAVE NOT COMPLETED AN APPLICATION MCMCI HAS LANGUAGE WRITTEN IN THEIR COLLECTION AGENCY CONTRACT THAT STATES, "IF THE COLLECTION AGENCY LEARNS A PATIENT/DEBTOR HAS NEITHER SUFFICIENT INCOME NOR ASSETS TO MEET HIS FINANCIAL OBLIGATION, THE AGENCY WILL NOT PURSUE COLLECTION ACTIVITIES AGAINST THE PATIENT/DEBTOR, UNLESS OR UNTIL THE AGENCY LEARNS THAT THE PATIENT/DEBTOR HAS INCOME OR ASSETS TO MEET THE OBLIGATION " IF THE COLLECTION AGENCY IS NOTIFIED BY THE PATIENT/DEBTOR THAT THIS CREATES AN UNDUE FINANCIAL HARDSHIP OR BURDEN DUE TO A CHANGE IN THEIR INCOME OR ASSETS, THE AGENCY WILL NOTIFY MCMCI AND AWAIT FURTHER DIRECTION FROM THE HOSPITAL
SCHEDULE H, PART VI, LINE 2	Miami County Medical Center, Inc (MCMCI) is continually assessing the health needs of the communities it serves in a variety of ways Informally, MCMCI is involved in multiple health fairs and other community outreach activities that involve screenings, questionnaires and general conversation that help us understand the needs of groups and individuals The MCMCI community advisory group is represented by a diverse set of individuals who provide helpful input from the organizations and communities they represent During 2012 and 2013, MCMCI also began a more formal process of assessment In partnership with the Miami County Department of Health, and with the help of VVV Research and Development, MCMCI conducted a community health needs assessment for its primary service area (Miami County) This was done by performing research and collecting health data for the area, and actively seeking input from the community through a survey and town hall meetings The research, survey and town hall meetings helped develop a clearer picture of our service areas and the health priorities of residents Below are the top three health need priorities in the primary service areas of MCMCI Health Need Priorities- MCMCI 1 Increase access to care by making available Urgent Care and Walk-In services for residents of Miami and Linn counties 2 Increase access to affordable pharmaceuticals 3 Decrease obesity rate among residents and increase access to healthy food In the fall of 2013, MCMCI developed a Community Health Improvement Plan to address the top health-need priorities that were identified through the assessment described above It was approved by the MCMCI Board of Trustees in October 2013 This is a three-year plan, which begins implementation in 2014 It speaks to each health need priority, outlining MCMCI's initiative(s) to address the need and the anticipated community impact You can read the full Community Health Needs Assessment and Community Health Improvement Plan documents on our website at olathehealth org/community

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 3	PATIENTS OF MIAMI COUNTY MEDICAL CENTER, INC (MCMCI) ARE MADE AWARE OF ALL OPPORTUNITIES AVAILABLE FOR FINANCIAL ASSISTANCE IN A VARIETY OF WAYS THERE ARE SIGNS IN THE REGISTRATION AREAS TO NOTIFY PATIENTS AND VISITORS OF THE AVAILABILITY OF ASSISTANCE PROGRAMS EVERY BILLING STATEMENT CONTAINS A NOTICE OF THE AVAILABILITY OF FINANCIAL ASSISTANCE AND HOW TO OBTAIN ADDITIONAL INFORMATION OR APPLY APPLICATIONS AND INSTRUCTIONS ARE AVAILABLE ON THE MEDICAL CENTER'S WEBSITE, IN BOTH ENGLISH AND SPANISH PATIENT ACCESS, PATIENT FINANCIAL SERVICES AND SOCIAL WORKERS ARE TRAINED TO PROVIDE APPLICATIONS TO PATIENTS IF THEY EXPRESS ANY CONCERN REGARDING ABILITY TO PAY FOR SERVICES, OR MAY BE REFERRED TO AN AGENCY THE MEDICAL CENTER CONTRACTS WITH TO HELP INDIVIDUALS THROUGH THE APPLICATION PROCESS FOR PROGRAMS LIKE MEDICAID AND DISABILITY PATIENTS THAT CALL OUR PATIENT FINANCIAL SERVICES DEPARTMENT EXPRESSING CONCERNS ABOUT BEING ABLE TO PAY FOR THEIR SERVICES OR EXPRESS THAT THEY ARE EXPERIENCING A FINANCIAL HARDSHIP ARE ADVISED OF OUR ASSISTANCE POLICY AND ENCOURAGED TO APPLY
SCHEDULE H, PART VI, LINE 4	Miami County Medical Center, Inc (MCMCI) serves the people of Miami and Linn Counties in Kansas Miami and Linn Counties are both located in rural areas of the state of Kansas and are both federally designated medically underserved areas of Kansas MCMC is the only hospital in these two counties However, there are several other hospitals located in nearby metropolitan areas, including Olathe and Overland Park, Kansas, and Kansas City, Missouri In addition to the general health care services provided by the hospital and its associated physicians, MCMCI serves a diverse population of mentally disable patients The Osawatomie State Hospital, Lake Mary Center, Medicalodge of Paola and the Tri-Ko are all organizations located in the service area MCMCI supports each of these organizations by providing medical care to their residents Below is a listing of economic levels for area residents Time period 2006 - 2010 Source factfinder2 census gov People Living Below Poverty Level Miami County 9 0% Linn County 10 1% Young Children Living Below Poverty Level Miami County 14 5% Linn County 12 8% Uninsured Adult Population Rate (2009) Miami County 9 6% Linn County 11 5%

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 5	In addition to the items listed above, Miami County Medical Center takes a very active role in support of local, regional and national not-for-profit organizations with a focus on improving health and supporting those in need MCMCI provides support financially and through volunteering time and talents to multiple area organizations MCMCI provides athletic trainers to area school sports programs MCMCI staff members are involved in several health fairs and/or community screenings each year The community health fairs are organized in conjunction with a variety of other area agencies, such as Miami County Emergency Medical Services, local school districts, county agencies and several others
SCHEDULE H, PART VI, LINE 6	MIAMI COUNTY MEDICAL CENTER IS A PART OF OLATHE HEALTH SYSTEM,INC (OHSI) THIS CONSISTS OF TWO HOSPITALS AND A NETWORK OF 33 CLINICS OHSI AND ITS AFFILIATES, INCLUDING MIAMI COUNTY MEDICAL CENTER, TAKE A LEADERSHIP ROLE IN PROMOTING THE HEALTH OF THE COMMUNITIES SERVED OHSI HOSPITALS AND CLINICS ARE VERY INVOLVED WITH COMMUNITY OUTREACH EDUCATION AND SCREENING PROGRAMS ACROSS THE ENTIRE SERVICE AREA WE COLLABORATE WITH AREA COMPANIES AND OTHER HEALTH-RELATED SERVICE PROVIDERS TO PROVIDE EDUCATION AND SCREENINGS TO THE PUBLIC OHSI POSITIONS ITSELF AS NOT ONLY A PROVIDER OF CARE, BUT A RESOURCE FOR EDUCATION AND PREVENTION

Form and Line Reference	Explanation
SCHEDULE H, PART VI, LINE 7	MCMCI IS NOT REQUIRED TO FILE A COMMUNITY BENEFIT REPORT WITH THE STATE, BUT WE MAKE OUR REPORT AVAILABLE TO ANYONE INTERESTED AT WWW OLATHEHEALTH ORG

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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
MIAMI COUNTY MEDICAL CENTER INC

Employer identification number
48-1155548

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) PAOLA USD #368 PO BOX 268 PAOLA,KS 66071	48-0720746	GOVERNMENT		12,064	BOOK	SPORTS MEDICINE	CMTY WELLNESS
(2) SPRING HILL USD #230 101 E SOUTH ST SPRING HILL,KS 66083	48-0723504	GOVERNMENT		21,496	BOOK	SPORTS MEDICINE	CMTY WELLNESS
(3) OSAWATOMIE USD #367 1200 TROJAN DRIVE OSAWATOMIE,KS 66064		GOVERNMENT		12,064	BOOK	SPORTS MEDICINE	CMTY WELLNESS

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

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

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) SCHOLARSHIPS	7	5,250			

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
SCHEDULE I, PART I, LINE 2	SCHEDULE I, PART II MIAMI COUNTY MEDICAL CENTER, INC PROVIDED SPORTS TRAINERS TO LOCAL HIGH SCHOOLS SCHEDULE I, PART III FOR ALL SCHOLARSHIPS, THE ORGANIZATION CAREFULLY SELECTS THE RECIPIENTS OF THE FUNDS AND A CHECK IS WRITTEN DIRECTLY TO THE ORGANIZATION OR INDIVIDUAL

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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
MIAMI COUNTY MEDICAL CENTER INC

Employer identification number
48-1155548

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**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		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				
(1)FRANK H DEVOCELLE PRESIDENT/CEO	(i)	0	0	0	0	0	0	0
	(ii)	737,614	160,010	38,243	0	14,626	950,494	0
(2)TIERNEY L GRASSER SENIOR VP/FINANCE	(i)	0	0	0	0	0	0	0
	(ii)	334,671	63,891	29,277	97,325	19,746	544,910	16,662
(3)GERALD WIESNER VICE PRESIDENT/OPERATIONS	(i)	89,251	0	153,600	0	3,872	246,722	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Return Reference	Explanation
SCHEDULE J, PART I, LINE 1A	SOCIAL CLUB DUES WERE PAID BY THE HOSPITAL FOR GERALD WIESNER AND WERE INCLUDED IN HIS W-2 AS TAXABLE COMPENSATION
FORM 990, PART VII, SCHEDULE J, PART I, LINE 3 AND PART II	THE COMPENSATION REPORTED FOR GERALD WIESNER AND PAUL LUCE WAS REVIEWED AND APPROVED BY THE COMPENSATION COMMITTEE OF THE BOARD OF OLATHE MEDICAL CENTER, INC THE SOLE MEMBER OF MIAMI COUNTY MEDICAL CENTER INC THE COMPENSATION COMMITTEE IS COMPRISED OF INDEPENDENT BOARD MEMBERS, WHICH INCLUDES A BOARD MEMBER FROM MIAMI COUNTY MEDICAL CENTER, INC THE COMMITTEE UTILIZED AN INDEPENDENT COMPENSATION CONSULTANT AND THIRD PARTY SALARY SURVEYS IN THE ESTABLISHMENT OF MR WIESNER'S AND MR LUCE'S COMPENSATION
FORM 990, PART VII, SCHEDULE J, PART I, LINE 3 AND PART II	THE COMPENSATION BEING REPORTED FOR FRANK H DEVOCELLE AND TIERNEY L GRASSER IS FROM OLATHE MEDICAL CENTER, INC , A RELATED TAX EXEMPT ORGANIZATION AND THE SOLE MEMBER OF MIAMI COUNTY MEDICAL CENTER, INC OLATHE MEDICAL CENTER, INC USES A COMPENSATION COMMITTEE COMPRISED OF INDEPENDENT BOARD MEMBERS TO ESTABLISH COMPENSATION AND BENEFITS FOR ALL OFFICERS OF OLATHE MEDICAL CENTER, INC AND ITS AFFILIATED CORPORATIONS THE COMPENSATION COMMITTEE APPROVES AND ESTABLISHES ALL COMPENSATION AND BENEFITS FOR OFFICERS OF OLATHE MEDICAL CENTER, INC AND ITS AFFILIATED COMPANIES THE COMMITTEE UTILIZED AN INDEPENDENT COMPENSATION CONSULTANT, A WRITTEN CONTRACT FOR THE CEO AND COMPENSATION SURVEYS TO ESTABLISH FAIR MARKET VALUE SALARIES AND BENEFITS FOR OLATHE MEDICAL CENTER, INC AND ITS AFFILIATES' OFFICERS
SCHEDULE J, PART I, LINE 4B & PART II	THE COMPENSATION REPORTED FOR GERALD WIESNER INCLUDES A $148,998 SEVERANCE PAYMENT
SCHEDULE J, PART I, LINE 4B & PART II	A SERP IS PROVIDED TO TIERNEY L GRASSER, SENIOR VICE PRESIDENT/FINANCE WHICH IS FUNDED OVER A SHORT TIME PERIOD BASED UPON THE IMPLEMENTATION DATE OF THE SERP IN 2005 MS GRASSER'S CAREER SERVICE AT OLATHE MEDICAL CENTER, INC AND ITS AFFILIATED ENTITIES IS CURRENTLY AT 25 YEARS, MOST OF WHICH DID NOT INCLUDE FUNDING FOR THE SERP BENEFIT A MAJORITY OF THE DEFERRED COMPENSATION IS DUE TO FUNDING OF THE SERP BENEFIT FOR PRIOR YEARS OF SERVICE IN 2013, THERE WAS A PAYOUT OF $19,932 AND AN ACCRUAL OF $97,325

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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
MIAMI COUNTY MEDICAL CENTER INC

Employer identification number
48-1155548

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	CITY OF OLATHE KANSAS	48-6034756	679390GX6	02-27-2008	5,311,403	SEE PART VI		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	930,000			
2	Amount of bonds legally defeased	0			
3	Total proceeds of issue	5,311,403			
4	Gross proceeds in reserve funds	0			
5	Capitalized interest from proceeds	0			
6	Proceeds in refunding escrows	0			
7	Issuance costs from proceeds	22,312			
8	Credit enhancement from proceeds	0			
9	Working capital expenditures from proceeds	0			
10	Capital expenditures from proceeds	0			
11	Other spent proceeds	5,289,091			
12	Other unspent proceeds	0			
13	Year of substantial completion	2008			

		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							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?	X							
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X							
c	Are there any research agreements that may result in private business use of bond-financed property?		X						
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %							
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶								
6	Total of lines 4 and 5								
7	Does the bond issue meet the private security or payment test?		X						
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?		X						
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X							

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X						
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?								
b	Exception to rebate?	X							
c	No rebate due?								
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?		X						
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b	Name of provider	0							
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						
b	Name of provider	0							
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X						
7	Has the organization established written procedures to monitor the requirements of section 148?	X							

Part V Procedures To Undertake Corrective Action

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

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

Return Reference	Explanation
SCHEDULE K, PART I, LINE A, COLUMN E	THE ISSUE PRICE OF THE ENTIRE ISSUE IS $29,451,544 A PORTION OF THE ISSUE PRICE, EQUAL TO $24,140,141 IS ALLOCABLE TO OLATHE MEDICAL CENTER, INC THE REMAINDER OF THE ISSUE PRICE, EQUAL TO $5,311,403, IS ALLOCABLE TO MIAMI COUNTY MEDICAL CENTER, INC , WHICH IS CONTROLLED BY OLATHE MEDICAL CENTER, INC , ITS SOLE MEMBER
SCHEDULE K, PART I, LINE A, COLUMN F	REFUND SERIES 2004A BONDS ISSUED 07/29/2004 AND REFUND SERIES 2004B BONDS ISSUED 07/29/2004

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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
MIAMI COUNTY MEDICAL CENTER INC

Employer identification number
48-1155548

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	No
(1) HEIDI HANSON	DAUGHTER OF PRESIDENT	43,209	SALARY		No

Part V Supplemental Information

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

Return Reference	Explanation
SCHEDULE L, PART IV	HEIDI HANSON IS THE DAUGHTER OF FRANK H DEVOCELLE, AN OFFICER OF MCMCI HEIDI HANSON IS AN EMPLOYEE OF MCMCI

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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
MIAMI COUNTY MEDICAL CENTER INC

Employer identification number
48-1155548

Return Reference	Explanation
FORM 990, PART III, LINE 4A	Miami County Medical Center, Inc operates an acute care hospital in Paola, Kansas Miami County Medical Center, Inc carries out its mission by providing quality and compassionate inpatient, outpatient, and emergency care services to residents in Miami County, Kansas and surrounding area Miami County Medical Center, Inc is a Joint Commission accredited hospital and is licensed for 39 beds and currently staffs 18 inpatient beds Program services expenses are all related to the provision of healthcare services In 2013, Miami County Medical Center, Inc provided 1,042 days of inpatient care, provided 51,764 outpatient procedures, and 9,512 emergency visits to the community Educational Support In addition to providing uncompensated care for patients in need, the Medical Center provides other health care related benefits to the communities it serves by providing 24-hour emergency rooms open every day to the public regardless of ability to pay The Medical Center also provides education for a variety of medical professionals, health care screenings and education programs for the general public and support group sponsorships Sports Net Miami County Medical Center provides Athletic Training staff for area high schools and junior high schools during the school year through its Sports Net program In 2013, $45,624 of Athletic Trainer services was provided to the schools in the Medical Center's service area Contributions Miami County Medical Center supports a variety of social, education, and civic healthcare related organizations within its service area In 2013, $26,654 was contributed to various agencies and charitable organizations and $5,250 in scholarships

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2	FRANK H DEVOCELLE AND TIERNEY L GRASSER HAVE A BUSINESS RELATIONSHIP WITH EACH OTHER THEY SERVE AS AN OFFICER OR DIRECTOR FOR OLATHE HEALTH DEVELOPMENT CORPORATION OR OLATHE MEDICAL CENTER DOCTOR'S BUILDING CONDOMINIUM OWNERS ASSOCIATION, WHICH ARE RELATED FOR PROFIT COMPANIES CHIP WOOD, FRANK H DEVOCELLE, TIERNEY L GRASSER, AND CHERYL L ROSS HAVE BUSINESS RELATIONSHIPS

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	OLATHE MEDICAL CENTER, INC , A NOT-FOR-PROFIT, 501(C)(3) ORGANIZATION, IS THE SOLE MEMBER OF MIAMI COUNTY MEDICAL CENTER, INC

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	OLATHE MEDICAL CENTER, INC BEING THE SOLE MEMBER OF MIAMI COUNTY MEDICAL CENTER, INC HAS THE RIGHT TO ELECT ALL THE BOARD OF TRUSTEES

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B	OLATHE MEDICAL CENTER, INC IS THE SOLE MEMBER, AND HAS THE RIGHTS TO APPROVE MIAMI COUNTY MEDICAL CENTER, INC 'S BYLAWS AND ARTICLES OF INCORPORATION AND ALSO APPROVE MIAMI COUNTY MEDICAL CENTER'S BOARD MEMBERS AND CERTAIN CAPITAL EXPENDITURES

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11B	The tax return form 990 is reviewed by the Audit and compliance Committee of the Olathe Medical Center, Inc (Miami County Medical Center's sole member) board on behalf of all of its affiliates prior to filing the return with the Internal Revenue Service The Audit & Compliance Committee is comprised of independent Board members of Olathe Medical Center, Inc The final form 990 with all required schedules is then provided to all board members for review prior to filing the form 990

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	The purpose of the Organization's Conflict of Interest Policy is to protect the organization's interest when it is contemplating a decision or entering into a transaction or arrangement that might benefit the private interest of any person in a position of authority over the organization, or might result in a possible excess benefit transaction Corporate officers and members of the Board of Trustees review the Conflict of Interest Policy and complete a Disclosure of Information Form annually A summary of the annual disclosures of information is provided to the full Board for review at least one time per year The conflict of interest policy calls for any interested person to disclose the existence of a financial relationship or competitive interest in connection with any pending transaction or arrangement The individual is given the opportunity to disclose all material facts to the Trustees considering the proposed transaction or arrangement that gave rise to the disclosure When a transaction involves an interested party, the following procedures are followed 1 The interested party leaves the meeting after providing any material facts or discussion regarding the matter that gives rise to the interest unless requested to stay by the remaining board or committee members 2 If appropriate, the Board may appoint a non-interested person or committee to investigate alternatives to the proposed transaction, 3 The interested trustee may not vote in the matter that gives rise to the interest 4 In order to approve the transaction, the Board must first find, by a majority vote of the trustees then in office, without counting the vote of the interested trustee, a That the proposed transaction is in the Organization's best interests and for its own benefit, and b That, after reasonable investigation, the board has determined that the organization cannot obtain a more advantageous transaction with reasonable efforts under the circumstances

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINES 15A & B	The compensation committee of the Olathe Medical Center, Inc board, which is comprised of independent members of the board of Olathe Medical Center, Inc and its affiliates, including a Miami County Medical Center, Inc board member, reviews and approves the CEO and other officers and key employees of the corporation's compensation in accordance with their compensation policy The compensation committee reviews third party salary surveys, uses independent consultants, and also utilizes written contracts for the ceo to determine the fair market value of the current compensation, salary ranges and benefits Compensation for such officers is approved by the committee and information of their findings is available to all board members at their request

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 18	THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE NOT AVAILABLE TO THE PUBLIC

Return Reference	Explanation
FORM 990, PART XI, LINE 5	CHANGE IN TEMPORARILY RESTRICTED NET ASSETS $2,730

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION MEDICAL PROFESSIONAL FEES TOTAL FEES 1934067

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION OTHER CONTRACT SERVICES TOTAL FEES 1533981

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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
MIAMI COUNTY MEDICAL CENTER INC

Employer identification number
48-1155548

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) OLATHE MEDICAL CENTER INC 20333 W 151ST ST OLATHE, KS 66061 48-0577664	HOSPITAL	KS	501(C)(3)	3	OHSI	Yes	
(2) OLATHE HEALTH SYSTEM INC 20333 W 151ST ST OLATHE, KS 66061 48-0979845	SUPPORT ORG	KS	501(C)(3)	11B	NA		No
(3) OLATHE MEDICAL SERVICES INC 20333 W 151ST ST OLATHE, KS 66061 48-1088982	CLINICS	KS	501(C)(3)	9	OMCI	Yes	
(4) OLATHE MEDICAL CENTER CHARITABLE FDN 20333 W 151ST ST OLATHE, KS 66061 48-1136010	FUNDRAISING	KS	501(C)(3)	7	OMCI	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

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
(1) OMC DOCTOR'S BLDG CONDO OWNERS ASSOC INC 20333 W 151ST ST OLATHE, KS 66061 48-1244766	REAL ESTATE	KS	OMCI	C CORPORATION				Yes	
(2) OLATHE HEALTH DEVELOPMENT CORPORATION 20333 W 151ST ST OLATHE, KS 66061 36-3445097	MEDICAL SERVI	KS	OHSI	C CORPORATION				Yes	

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		No
b Gift, grant, or capital contribution to related organization(s)	1b		No
c Gift, grant, or capital contribution from related organization(s)	1c		No
d Loans or loan guarantees to or for related organization(s)	1d		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		No
k Lease of facilities, equipment, or other assets from related organization(s)	1k		No
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	Yes	
q Reimbursement paid by related organization(s) for expenses	1q	Yes	
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) OLATHE MEDICAL SERVICES INC	N	82,396	COST
(2) OLATHE MEDICAL SERVICES INC	Q	67,213	COST
(3) OLATHE MEDICAL CENTER INC	M	168,235	COST
(4) OLATHE MEDICAL CENTER INC	N	345,431	COST
(5) OLATHE MEDICAL CENTER INC	O	2,747,364	COST
(6) OLATHE MEDICAL CENTER INC	Q	3,346,543	COST

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

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

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

Part VII Supplemental Information

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

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 48-1155548
Name: MIAMI COUNTY MEDICAL CENTER INC

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
OLATHE MEDICAL SERVICES INC	N	82,396	COST
OLATHE MEDICAL SERVICES INC	Q	67,213	COST
OLATHE MEDICAL CENTER INC	M	168,235	COST
OLATHE MEDICAL CENTER INC	N	345,431	COST
OLATHE MEDICAL CENTER INC	O	2,747,364	COST
OLATHE MEDICAL CENTER INC	Q	3,346,543	COST

Olathe Medical Center, Inc.

(A Controlled Subsidiary of Olathe Health System, Inc.)

Auditor's Report and Consolidated Financial Statements

December 31, 2013 and 2012

BKD LLP

CPAs & Advisors

Olathe Medical Center, Inc.

December 31, 2013 and 2012

Contents

Independent Auditor's Report

Board of Trustees
Olathe Medical Center, Inc
Olathe, Kansas

We have audited the accompanying consolidated financial statements of Olathe Medical Center, Inc (a controlled subsidiary of Olathe Health System, Inc), 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 from material misstatement

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

We believe that the audit evidence 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 Olathe Medical Center, Inc as of December 31, 2013 and 2012, and the results of its operations, the changes in its 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 Information

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements as a whole The balance sheets, statements of operations and selected ratios listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements Such information has not been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on it

BKD, LLP

Kansas City, Missouri
May 30, 2014

Olathe Medical Center, Inc.

Consolidated Balance Sheets

December 31, 2013 and 2012

Assets

	2013	2012
Current Assets		
Cash and cash equivalents	$ 7,336,317	$ 7,078,311
Patient accounts receivable, net of allowance, 2013 – $10,358,000, 2012 – $9,781,000	38,355,161	39,868,104
Short-term investments and other assets	14,380,578	11,486,283
Funds held by trustee required for current liabilities	595,147	597,607
Supplies	6,971,367	7,039,601
Prepaid expenses	3,385,783	2,852,715
Total current assets	71,024,353	68,922,621
Assets Limited as to Use, Net of Current Portion		
Investment portfolio (internally designated)	333,972,051	275,695,170
Externally restricted by donors	2,238,585	3,642,750
	336,210,636	279,337,920
Property and Equipment, Net	175,171,994	171,905,053
Other Assets		
Deferred financing costs	1,088,889	1,256,191
Long-term investments	7,959,436	6,695,092
Investments in and advances to affiliates	9,327,510	8,875,196
	18,375,835	16,826,479
Total assets	$ 600,782,818	$ 536,992,073

See Notes to Consolidated Financial Statements

Liabilities and Net Assets

	2013	2012
Current Liabilities		
Current maturities of long-term debt	$ 5,494,594	$ 5,357,729
Accounts payable	15,601,012	12,254,154
Accrued payroll and related liabilities	16,010,154	14,514,067
Accrued interest	1,077,378	1,131,701
Accrued property taxes	103,847	122,391
Estimated self-insurance costs	4,906,905	5,143,756
Estimated amounts due to third-party payers	595,494	1,252,476
Total current liabilities	43,789,384	39,776,274
Deferred Compensation	7,928,361	6,659,912
Long-term Debt	120,695,009	126,284,047
Total liabilities	172,412,754	172,720,233
Net Assets		
Unrestricted	426,131,474	360,629,084
Temporarily restricted	2,120,303	3,524,469
Permanently restricted	118,287	118,287
Total net assets	428,370,064	364,271,840
Total liabilities and net assets	$ 600,782,818	$ 536,992,073

Olathe Medical Center, Inc.

Consolidated Statements of Operations

Years Ended December 31, 2013 and 2012

	2013	2012
Unrestricted Revenues and Other Support		
Net patient service revenue (net of contractual allowances)	$ 280,155,064	$ 283,148,957
Provision for uncollectible accounts	(14,276,055)	(16,640,067)
Net patient service revenue	265,879,009	266,508,890
Other revenue	8,845,383	5,717,131
Net assets released from restriction used for operations	56,466	43,153
	274,780,858	272,269,174
Expenses		
Salaries	132,786,531	133,344,168
Employee benefits	23,015,486	24,336,228
Supplies and other expenses	84,702,789	80,613,286
Depreciation and amortization	15,481,157	15,235,692
Interest	3,588,126	3,696,954
Insurance	2,391,479	2,449,072
Medicaid assessment	1,826,252	1,565,963
	263,791,820	261,241,363
Operating Income	10,989,038	11,027,811
Other Income (Expense)		
Investment income	7,715,056	7,572,539
Net realized gain (loss) on sale of investments	11,434,497	(647,387)
Change in net unrealized gains and losses on trading securities	33,469,995	28,732,385
Gain on investment in equity investees	375,702	181,849
Loss from extinguishment of debt	-	(65,007)
	52,995,250	35,774,379
Excess of Revenues Over Expenses	63,984,288	46,802,190
Net assets released – capital	1,533,250	12,645
Transfers to affiliate	(15,148)	(20,478)
Increase in Unrestricted Net Assets	$ 65,502,390	$ 46,794,357

Olathe Medical Center, Inc.

Consolidated Statements of Changes in Net Assets

Years Ended December 31, 2013 and 2012

	2013	2012
Unrestricted Net Assets		
Excess of revenues over expenses	$ 63,984,288	$ 46,802,190
Net assets released from restriction used for purchase of equipment	1,533,250	12,645
Transfers to affiliate	(15,148)	(20,478)
Increase in unrestricted net assets	65,502,390	46,794,357
Temporarily Restricted Net Assets		
Contributions received	185,550	1,383,135
Net assets released from restriction used for purchase of equipment	(1,533,250)	(12,645)
Net assets released from restriction used for operations	(56,466)	(43,153)
Increase (decrease) in temporarily restricted net assets	(1,404,166)	1,327,337
Increase in Net Assets	64,098,224	48,121,694
Net Assets, Beginning of Year	364,271,840	316,150,146
Net Assets, End of Year	$ 428,370,064	$ 364,271,840

Olathe Medical Center, Inc.

Consolidated Statements of Cash Flows

Years Ended December 31, 2013 and 2012

	2013	2012
Operating Activities		
Change in net assets	$ 64,098,224	$ 48,121,694
Items not requiring (providing) operating cash flow		
Depreciation and amortization	15,481,157	15,235,692
Loss on sale of property and equipment	54,806	19,083
Net (gain) loss on sale of investments	(11,434,497)	647,387
Transfers to affiliate	15,148	20,478
Restricted contributions received	(185,550)	(1,383,135)
Change in unrealized gains and losses on investments	(33,469,995)	(28,732,383)
Loss from extinguishment of debt	-	65,007
Gain on investment in equity investees	(375,702)	(181,849)
Changes in		
Patient accounts receivable, net	1,512,943	8,700,482
Estimated amount due to third-party payers	(656,982)	4,066
Accounts payable and accrued expenses	4,555,569	(1,684,107)
Supplies and prepaid expenses	(464,834)	(1,098,772)
Short-term investments and other assets	(1,084,507)	(2,251,050)
Net cash provided by operating activities	38,045,780	37,482,593
Investing Activities		
Proceeds from (purchase of) short-term investments	(1,887,607)	2,596,062
Purchase of property and equipment	(18,941,518)	(25,407,493)
Purchase of investments - investment portfolio	(11,874,340)	(15,635,482)
Proceeds from (purchase of) investments - funds held by trustee	(5,809)	6,720,909
Proceeds from sale of property and equipment	27,673	2,165
Investment in and advances to equity investees	(76,612)	(117,799)
Net cash used in investing activities	(32,758,213)	(31,841,638)
Financing Activities		
Proceeds from restricted contributions	185,550	1,383,135
Proceeds from issuance of long-term debt	-	52,829,131
Payment of deferred financing fees	-	(641,619)
Transfers to/from affiliates	(15,148)	(20,478)
Principal payments on long-term debt	(5,199,963)	(56,969,162)
Net cash used in financing activities	(5,029,561)	(3,418,993)
Net Increase in Cash and Cash Equivalents	258,006	2,221,962
Cash and Cash Equivalents, Beginning of Year	7,078,311	4,856,349
Cash and Cash Equivalents, End of Year	$ 7,336,317	$ 7,078,311

Olathe Medical Center, Inc.

Notes to Consolidated Financial Statements

December 31, 2013 and 2012

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Olathe Medical Center, Inc ("OMCI") operates an acute care hospital in Olathe, Kansas OMCI primarily earns revenues by providing inpatient, outpatient, emergency care, hospice and home health care services to residents in Johnson County and Miami County, Kansas and the surrounding area OMCI is controlled by Olathe Health System, Inc ("OHSI"), its sole member

OMCI is the sole member of Miami County Medical Center, Inc ("MCMCI"), Olathe Medical Services, Inc ("OMSI") and Olathe Medical Center Charitable Foundation ("OMCCF") All of the entities are collectively referred to as the "System" in the accompanying consolidated financial statements

MCMCI is an acute care hospital located in Paola, Kansas, and earns revenue by providing inpatient, outpatient and emergency care services to patients in Miami and Linn County, Kansas, and the surrounding area

OMSI provides physician services in various clinic locations within its service area

OMCCF was organized for the purpose of providing support services to advance or support the provision of health care services for the System's not-for-profit entities and the communities in which they serve

Principles of Consolidation

The consolidated financial statements include the accounts of OMCI and its controlled subsidiaries, Olathe Medical Services, Inc , Miami County Medical Center, Inc and Olathe Medical Center Charitable Foundation All significant intercompany accounts and transactions have been eliminated in consolidation

Investment in and Advances to Affiliates

OMCI has an investment in Cedar Lake Village, which operates an assisted living, senior housing and skilled nursing facility located on OMCI's campus This investment is reported using the equity method of accounting

Use of Estimates

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

Excess of Revenues Over Expenses

The consolidated statements of operations include excess of revenues over expenses Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities, the change in fair value of highly effective interest rate swap agreements, permanent transfers to and from affiliates for other than goods and services and contributions of long-lived assets to be used in providing health care services (including assets acquired using contributions which, by donor restriction, were to be used for the purpose of acquiring such assets)

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the System 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 the System in perpetuity

Temporarily restricted net assets are available primarily for specific program and department activities and the purchase of equipment and buildings at December 31, 2013 and 2012

During 2013 and 2012, net assets were released from donor restrictions by satisfying the restricted purposes in the amounts of $1,589,716 and $55,798, respectively

Net Patient Service Revenue

The System has agreements with third-party payers that provide for payments to the System at amounts different from established rates Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered and includes estimated retroactive revenue adjustments Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such estimated amounts are revised in future periods, as adjustments become known Laws and regulations governing Medicare and Medicaid are extremely complex and subject to interpretation Compliance with such laws and regulations are subject to government review and interpretation as well as significant regulatory action, including fines, penalties and exclusion from the Medicare and Medicaid programs As a result, there is a possibility that the recorded estimates may change by a material amount in the near term

Cash and Cash Equivalents

The System considers all liquid investments, other than those limited as to use, with original maturities of three months or less to be cash equivalents At December 31, 2013 and 2012, cash equivalents consisted primarily of money market accounts

Patient Accounts Receivable

Accounts receivable are reduced by an allowance for doubtful accounts In evaluating the collectability of accounts receivable, the System analyzes its 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

For receivables associated with services provided to patients who have third-party coverage, the System analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payer has not yet paid, or for payers who are known to be having financial difficulties that make the realization of amounts due unlikely)

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the System 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 or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts

The System's allowance for doubtful accounts for self-pay patients increased from 70% of self-pay accounts receivable at December 31, 2012, to 81% of self-pay accounts receivable at December 31, 2013 In addition, the System's write-offs decreased approximately $2,364,000 from approximately $16,640,000 for the year ended December 31, 2012, to approximately $14,276,000 for the year ended December 31, 2013 The decrease was the result of a change in account processing where more self-pay accounts being written off to a contractual allowance than bad debt write-offs

Assets Limited as to Use

Assets limited as to use include (1) assets held by bond trustees, (2) assets restricted by donors, and (3) assets set aside by the Board of Trustees for future capital improvements over which the Board retains control and may at its discretion subsequently use for other purposes Amounts required to meet current liabilities of the System are included in current assets

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and all common trust funds are carried at fair value in the consolidated balance sheets Donated investments are reported at fair value at the date of receipt, which is then treated at cost Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in excess of revenues over expenses, unless the income or loss is restricted by donor or law The investment in Cedar Lake Village is reported on the equity method of accounting

Supplies

The System states supply inventories at average cost for perpetual inventories and last purchase price for non-perpetual inventories

Property and Equipment

Property and equipment are recorded at cost and depreciated on a straight-line basis over the estimated useful life of each asset Leasehold improvements are depreciated over the respective estimated useful lives

The estimated useful lives for each major depreciable classification of property and equipment are as follows

Buildings and improvements	10-40 years
Equipment	3-15 years

Donations of property and equipment are reported at fair market value as an increase in unrestricted net assets unless use of the assets is restricted by the donor Monetary gifts that must be used to acquire property and equipment are reported as restricted support The expiration of such restrictions is reported as an increase in unrestricted net assets when the donated asset is placed in service

Estimated Self-Insurance Costs

The provision for estimated self-insured employee health, dental and workers' compensation claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported, including related administrative costs

Estimated self-insurance costs also include amounts for estimates related to medical malpractice and general liability claims which are covered by insurance

Financial Assistance

The System provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its financial assistance policy Because the System does not pursue collection of amounts determined to qualify as financial assistance, these amounts are not reported as net patient service revenue The System's direct and indirect costs for services furnished under its financial assistance policy were developed utilizing a cost accounting system and aggregated approximately $4,107,000 and $4,198,000 in 2013 and 2012, respectively

Income Tax Status

Olathe Medical Center, Inc , Olathe Medical Services, Inc , Miami County Medical Center, Inc and Olathe Medical Center Charitable Foundation are not-for-profit organizations within the meaning of Section 501(c)(3) of the Internal Revenue Code and are exempt from taxes on their business income

The System is no longer subject to U S federal, state and local income tax examinations by tax authorities for years before 2009

Insurance and Litigation

Medical malpractice insurance is purchased under claims-made policies Under these policies, only claims made and reported to the insurer that occurred subsequent to July 1, 1976 are covered during the policy term Under Kansas law, the Kansas Insurance Department provides excess liability insurance through the Kansas Healthcare Stabilization Fund Excess liability insurance coverage is also purchased under a claims-made policy Under this policy, only claims made and reported to the insurer that occurred subsequent to January 2, 1985 are covered during the policy term

The System 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 the System's own claims experience The System's management does not expect any claims 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 In the normal course of business, the System is, from time to time, subject to allegations that may or do result in litigation Some of these allegations are in areas not covered by the System's commercial insurance The System evaluates such allegations by conducting investigations to determine the validity of each potential claim Based upon the advice of counsel, management records an estimate of the amount of ultimate expected loss, if any, for each of these matters Events could occur that would cause the estimate of ultimate loss to differ materially in the near term

The System recognizes an accrual for claim liabilities based on estimated ultimate losses and costs associated with settling claims and a receivable to reflect the estimated insurance recoveries, if any

Based upon the System's claims experience, an accrual had been made for the System's portion of medical malpractice and general liability costs related to its deductible under its malpractice and general liability insurance policies, amounting to approximately $337,000 and $545,000 as of December 31, 2013 and 2012, respectively These amounts are included in estimated self-insurance costs on the accompanying consolidated balance sheets It is reasonably possible that this estimate could change materially in the near term

The System recorded in other current assets on the consolidated balance sheets approximately $195,000 and $365,000 as of December 31, 2013 and 2012, respectively, of professional liability reserves insurance coverage receivables

The System has available a letter of credit totaling $2,246,000, which expires in 2014, subject to renewal The purpose of the letter is for the possible funding of self-insured workers compensation claims

Contributions

Unconditional promises to give cash and other assets are accrued at estimated fair value at the date each promise is received Unconditional gifts expected to be collected within one year are reported at their net realizable value Unconditional gifts expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique 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 reported as net assets released from restriction Gifts having donor stipulations which are satisfied in the period the gift is received are reported as unrestricted revenue and net assets Receipt of contributions that are conditional are reported as liabilities until the condition is eliminated or the contributed assets are returned to the donor

Deferred Financing Costs

Deferred financing costs represent bond issuance costs incurred in connection with the Health Facilities Revenue Bonds Costs associated with the debt outstanding for each year are being amortized over the term of the respective bond issue using the bonds outstanding method

Bond Premiums (Discount)

The bond premiums and discount arose from the issuance of the Health Facilities Revenue Bonds, Series 2008B, Series 2008C, Series 2010A, Series 2012A and Series 2012B and, when combined, result in a net bond premium This unamortized net bond premium is recorded as an adjustment of long-term debt in the accompanying consolidated financial statements The bond premiums and discount are being amortized over the life of the related bonds using the bonds outstanding method

Variable Rate Bonds and Related Agreements

OMCI has issued daily variable rate demand bonds as part of the 2008C bond issue and the 2010B bond issue (*see Note 6*) As part of the indenture agreement, OMCI entered into a remarketing agreement to remarket the bonds on a daily basis OMCI also entered into a Letter of Credit and Reimbursement Agreement (LOC) with a bank to purchase bonds that are tendered but not remarketed Under the LOC, the Letter of Credit is a direct obligation of the bank to pay to the Trustee until such time as the bonds are remarketed The current LOC expires October 29, 2015

Electronic Health Records Incentive Program

The Electronic Health Records Incentive Program, enacted as part of the *American Recovery and Reinvestment Act of 2009*, provides for one-time incentive payments under both the Medicare and Medicaid programs to eligible hospitals that demonstrate meaningful use of certified electronic health records technology (EHR) Payments under the Medicare program are generally made for up to four years based on a statutory formula Payments under the Medicaid program are generally made for up to four years based upon a statutory formula, as determined by the state, which is

approved by the Centers for Medicare and Medicaid Services Payment under both programs are contingent on the hospital continuing to meet escalating meaningful use criteria and any other specific requirements that are applicable for the reporting period The final amount for any payment year is determined based upon an audit by the fiscal intermediary Events could occur that would cause the final amounts to differ materially from the initial payments under the program

The System recognizes revenue ratably over the reporting period starting at the point when management is reasonably assured it will meet all of the meaningful use objectives and any other specific grant requirements applicable for the reporting period

The System has completed requirements under the Medicare and Medicaid programs, and has recorded revenues in the years ended December 31, 2013 and 2012 of approximately $4,844,000 and $1,400,000, respectively, which are included in other revenue within operating revenues in the consolidated statements of operations

Note 2: Net Patient Service Revenue

The System 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 For uninsured patients that do not qualify for charity care, the System recognizes revenue on the net basis of its standard rates less an uninsured discount for services provided to individuals who do not qualify for the charity care program On the basis of historical experience, a significant portion of the System's uninsured patients will be unable or unwilling to pay for the services provided Thus, the System records a significant provision for uncollectible accounts related to uninsured patients in the period the services are provided This provision for uncollectible accounts is presented on the consolidated statements of operations as a component of net patient service revenue

The System has agreements with third-party payers that provide for payments to the System at amounts different from its established rates These payment arrangements include

Medicare. Inpatient acute care services and substantially all outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors The Hospital is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by the System and audits thereof by the Medicare Administrative Contractor

Medicaid. Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates

Other Third-Party Payers. The System has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations The basis for payment under these agreements includes prospectively determined rates per discharge, discounts from established charges, case rates, fee schedules and prospectively determined daily rates

Uninsured. The System provides discounts from charges for patients who do not have health insurance coverage and also provides assistance to those who qualify for the System's financial assistance program (charity care)

Patient service revenue, net of contractual allowances and discounts (but before the provision for uncollectible accounts), recognized in the years ended December 31, 2013 and 2012 was approximately

	2013	2012
Medicare	$ 93,872,167	$ 91,798,170
Medicaid	6,145,624	7,409,170
Other third-party payers	144,811,703	149,289,259
Self-pay	35,325,569	34,652,358
Total	$ 280,155,064	$ 283,148,957

The Center for Medicare and Medicaid Services (CMS) approved an amendment to the Kansas Medicaid State Plan that incorporates legislation enacted by the Kansas State Legislature establishing an annual tax assessment on certain hospital providers and health maintenance organizations and created the Health Care Access Improvement Fund The System's tax assessment for 2013 and 2012 was approximately $1,826,000 and $1,566,000, respectively, and is included in expenses in the consolidated statements of operations

Note 3: Investments

Investment Summary

Short-term investments consist of mutual funds invested in debt securities and totaled $10,044,438 and $8,940,134 at December 31, 2013 and 2012, respectively

Assets limited as to use at December 31, 2013 and 2012 include the following investments stated at fair value

	2013	2012
Investment portfolio (internally designated)		
Cash and cash equivalents	$ 588,340	$ -
Certificates of deposit	597,000	795,000
Mutual funds invested in equity securities		
Vanguard Total Stock Market Index	107,052,994	98,323,789
Vanguard Global Equity Fund	37,098,091	32,387,204
American New Perspective Fund	38,882,204	34,312,409
Other mutual funds invested in equity securities	208,440	163,695
Mutual funds invested in debt securities		
PIMCO Total Return Fund	42,625,548	40,038,197
Dodge & Cox Income Fund	42,981,425	39,193,559
Vanguard Short-Term Bond Fund	29,920,407	-
Other mutual funds invested in debt securities	-	396,247
Common Trust Funds		
State Street MSCI AC World Investable Index Fund	24,754,874	21,482,055
Other common trust funds	4,078,795	3,418,953
Real estate	5,183,804	5,183,804
Interest receivable	129	258
	333,972,051	275,695,170
Externally restricted by donors		
Cash	1,659,113	1,013,167
Mutual funds invested in debt securities	147,842	1,473,475
Contributions receivable	431,630	1,156,108
	2,238,585	3,642,750
Held by trustee under indenture agreements		
Mutual funds invested in debt securities	595,142	597,602
Other	5	5
	595,147	597,607
Total assets limited as to use	$ 336,805,783	$ 279,935,527

At December 31, 2013 and 2012, the System's investments include real estate located in Johnson County, Kansas with a carrying value of $5,183,804

Certain investments in marketable equity securities are reported in the consolidated financial statements at an amount less than their historical cost The System has adopted a long-term investment strategy which could result in volatile swings in fair value over time

The System has elected to measure common trust funds at fair value which has been estimated using the net asset value per share of the investments The common trust funds include investments in several common trust funds that invest in equity securities of developed and emerging markets other than the United States The common trust funds have redemption dates twice a month with a redemption notice period of two days These investments have no unfunded commitments

In accordance with the terms of the bond indentures, as amended, authorizing Health Facilities Revenue and Refunding Bonds, OMCI and MCMCI are to establish and maintain certain funds as follows

Debt Service Fund – This account contains the required lease payments for interest and principal payments on bonds

Debt Service Reserve Fund – This account is to be funded only in the event that certain financial ratio requirements are not met No funding was required at December 31, 2013 and 2012

Project Fund – This account includes the proceeds of bond issues to be used for qualified capital expenditures

Amounts held by the trustee under indenture agreements, including accrued interest, at December 31, 2013 and 2012 are as follows

	2013	2012
Debt service fund	$ 595,147	$ 597,607

Long-term investments consisted of the following which included investments held in conjunction with the System's Section 457(b) and 457(f) deferred compensation plans (*see Note 8*) that amounted to $7,928,361 and $6,659,912 at December 31, 2013 and 2012, respectively

	2013	2012
Mutual funds invested in debt securities	$ 4,215,906	$ 3,514,197
Mutual funds invested in equity securities	3,712,455	3,145,715
Other long-term investments	31,075	35,180
	$ 7,959,436	$ 6,695,092

Total investment return is comprised of and reflected in the consolidated statements of operations as the following

	2013	2012
Investment income (interest and dividend income)	$ 7,715,056	$ 7,572,539
Net realized gain (loss) on sale of investments	11,434,497	(647,387)
Change in unrealized gains and losses on investments	33,469,995	28,732,385
	$ 52,619,548	$ 35,657,537

Note 4: Property and Equipment

A summary of property and equipment at December 31, 2013 and 2012 is as follows

	2013	2012
Land	$ 27,669,111	$ 27,468,421
Land improvements	10,961,629	10,941,210
Building and fixed equipment	183,551,415	175,425,064
Major equipment	118,455,751	111,258,712
Leasehold improvements	16,439,692	15,847,784
	357,077,598	340,941,191
Less accumulated depreciation	185,337,148	169,903,765
	171,740,450	171,037,426
Construction in progress	3,431,544	867,627
	$ 175,171,994	$ 171,905,053

Note 5: Contributions Receivable

During 2010, OMCCF began a capital campaign to assist in funding the construction of a hospice house. Contributions receivable consisted of the following at December 31, 2013 and 2012:

	2013	2012
Due within one year	$ 224,500	$ 292,250
Due in two to five years	301,130	1,010,858
	525,630	1,303,108
Less		
Allowance for uncollectible contributions	65,000	97,000
Present value discount	29,000	50,000
	94,000	147,000
Total contributions receivable	$ 431,630	$ 1,156,108

Note 6: Long-term Debt

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

	2013	2012
Health Facilities Revenue Bonds, Series 2008B, maturing serially at varying amounts through September 2029, semiannual interest payments at rates ranging from 3.75% to 5.125%, collateralized by revenues	$ 23,170,000	$ 24,415,000
Variable Rate Demand Health Facilities Revenue Bonds, Series 2008C, maturing serially at varying amounts through September 2032, monthly interest payments at variable rates determined daily by the Remarketing Agent with reference to the Securities Industry and Financial Markets Association Municipal Swap Index, (0.06% at December 31, 2013), collateralized by revenues, partially redeemed during 2012	22,720,000	22,720,000
Health Facilities Revenue Bonds, Series 2010A, maturing serially at varying amounts through September 2030, semiannual interest payments at rates ranging from 3.5% to 5.25%, collateralized by revenues	16,000,000	16,000,000

	2013	2012
Variable Rate Demand Health Facilities Revenue Bonds, Series 2010B, maturing serially at varying amounts through September 2035, monthly interest payments at variable rates determined daily by the Remarketing Agent with reference to the Securities Industry and Financial Markets Association Municipal Swap Index, (0 06% at December 31, 2013), collateralized by revenues partially redeemed during 2012	$ 11,100,000	$ 11,100,000
Health Facilities Revenue Bonds, Series 2012A, maturing serially at varying amounts through September 2030, semiannual interest payments at rates ranging from 3 00% to 5 00% collateralized by revenues, proceeds used to refund and redeem a portion of the Series 2008A Bonds	18,795,000	19,865,000
Health Facilities Revenue Bonds, Series 2012B, maturing in September 2037, semiannual interest payments, bearing a rate of 2% through March 2017, after which a separate disclosure statement will be prepared in connection with the reoffering of the Bonds which may bear interest at Daily Rates, Weekly Rates, Short-Term Rates, Long-Term Rates or Fixed Rates, collateralized by revenues, proceeds used to refund and redeem a portion of the Series 2008A Bonds	15,525,000	15,525,000
Health Facilities Revenue Bonds, Series 2012C, maturing at varying amounts through September 2019, quarterly interest payments, bearing interest at 1 443% per annum, collateralized by revenues, proceeds used to refund and redeem portions of Series 2008C and Series 2010B	13,565,000	16,000,000
Special assessments, City of Olathe and DeSoto, Kansas, payable annually over ten or fifteen year periods through 2024, interest rates ranging from 2 70% to 4 18%	3,833,108	4,283,071
	124,708,108	129,908,071
Plus unamortized premium (discount), net	1,481,495	1,733,705
Less current maturities	(5,494,594)	(5,357,729)
	$ 120,695,009	$ 126,284,047

Aggregate annual maturities of the existing long-term debt at December 31, 2013 are as follows

2014	$ 5,494,594
2015	5,494,558
2016	5,651,667
2017	5,521,944
2018	5,435,974
Thereafter	97,109,371
	$ 124,708,108

Note 7: Concentration of Credit Risk

The operations of the System are primarily located in Johnson County and Miami County, Kansas The System grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payer agreements The mix of patient net accounts receivable at December 31, 2013 and 2012 is as follows

	2013	2012
Medicare and Medicaid	38%	40%
Other third-party payers	55%	49%
Patients	7%	11%
	100%	100%

The System maintains its cash and investments in local financial institutions At December 31, 2013, the System's cash accounts exceeded federally insured limits by approximately $10,540,000

Note 8: Retirement Plans

The System sponsors a 403(b) retirement plan covering substantially all employees The System's contributions to the Plan were $1,964,948 and $1,906,173 in 2013 and 2012, respectively

The System sponsors a Section 457(b) deferred compensation plan for key employees The System made no contributions to the plan in 2013 or 2012 The System also sponsors a Section 457(f) plan for key employees The System made contributions to the plan of $371,358 and $468,295 in 2013 and 2012, respectively Total assets and liabilities related to these Plans were $7,928,361 and $6,659,912 at December 31, 2013 and 2012, respectively

Note 9: Additional Cash Flows Information

	2013	2012
Noncash Investing and Financing Activities		
Property and equipment purchases in accounts payable—construction	$ 461,552	$ 483,894
Additional Cash Information		
Interest paid, net of amount capitalized	3,716,053	3,991,818

Note 10: Functional Expenses

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

	2013	2012
Health care services	$ 211,230,030	$ 210,006,586
General and administrative	52,254,849	50,950,087
Fundraising	306,941	284,690
	$ 263,791,820	$ 261,241,363

Note 11: Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs There is a hierarchy of three levels of inputs that may be used to measure fair value

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2013 and 2012

	December 31, 2013 Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial instruments included in cash	$ 510,918	$ 510,918	$ -	$ -
Mutual funds invested in equity securities				
Vanguard Total Stock Market Index	107,052,994	107,052,994	-	-
Vanguard Global Equity Fund	37,098,091	37,098,091	-	-
American New Perspective Fund	38,882,204	38,882,204	-	-
Other mutual funds invested in equity securities	3,920,895	3,920,895	-	-
Mutual funds invested in debt securities				
PIMCO Total Return Fund	42,625,548	42,625,548	-	-
Dodge & Cox Income Fund	42,981,425	42,981,425	-	-
Vanguard Short-Term Bond Fund	29,920,407	29,920,407	-	-
Other mutual funds invested in debt securities	15,003,328	15,003,328	-	-
Common Trust Funds				
State Street MSCI AC World Investable Index Fund	24,754,874	-	24,754,874	-
Other common trust funds	4,078,795	-	4,078,795	-

	December 31, 2012 Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial instruments included in cash	$ 906,805	$ 906,805	$ -	$ -
Mutual funds invested in equity securities				
Vanguard Total Stock Market Index	98,323,789	98,323,789	-	-
Vanguard Global Equity Fund	32,387,204	32,387,204	-	-
American New Perspective Fund	34,312,409	34,312,409	-	-
Other mutual funds invested in equity securities	3,309,410	3,309,410	-	-
Mutual funds invested in debt securities				
PIMCO Total Return Fund	40,038,197	40,038,197	-	-
Dodge & Cox Income Fund	39,193,559	39,193,559	-	-
Other mutual funds invested in debt securities	14,921,655	14,921,655	-	-
Common Trust Funds				
State Street MSCI AC World Investable Index Fund	21,482,055	-	21,482,055	-
Other common trust funds	3,418,953	-	3,418,953	-

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2013.

Investments and Financial Instruments Included in Cash

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include exchange traded equity securities and mutual funds. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. Level 2 securities include common trust funds.

The value of certain investments, classified as common trust funds, is determined using net asset value (or its equivalent) as a practical expedient Investments for which the System expects to have the ability to redeem its investments with the investee within 12 months after the reporting date are categorized as Level 2

The following table presents estimated fair values of the System's financial instruments and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2013 and 2012

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2013				
Financial assets				
Cash and cash equivalents	$ 9,072,852	$ 9,072,852	$ -	$ -
Contributions receivable	431,630	-	431,630	-
Financial liabilities				
Long-term debt	126,189,603	-	126,189,603	-
December 31, 2012				
Financial assets				
Cash and cash equivalents	$ 7,184,673	$ 7,184,673	$ -	$ -
Contributions receivable	1,156,108	-	1,156,108	-
Financial liabilities				
Long-term debt	131,641,776	-	131,641,776	-

The following methods were used to estimate the fair value of all other financial instruments recognized in the accompanying consolidated balance sheets at amounts other than fair value

Cash and Cash Equivalents

The carrying amount approximates fair value

Contributions Receivable

Fair value is estimated by discounting the cash flows of the future payments expected to be received using rates of return on assets with similar cash flows

Long-term Debt

Fair values of revenue notes are based on current interest rates on bonds of similar maturities The fair value of other long-term debt is estimated using discounted cash flow analyses, based on the System's current incremental borrowing rates for similar types of borrowing arrangements The carrying amount of long-term debt approximates its fair value

Note 12: Related Party Transactions

In 2013 and 2012, OMCI had transfers to OHSI, the sole member of OMCI, of $15,148 and $20,478, respectively

At December 31, 2013 and 2012, Cedar Lake Village, Inc (CLVI), an equity investee, had outstanding loan balances to OMCI of $3,428,094 and $3,608,958, respectively, at an interest rate of 7%, subordinated with a bank as part of a letter-of-credit arrangement Semiannual interest payments and annual principal payments are required with the final payment on the loan due in December 2026

Note 13: Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were issued

Independent Auditor's Report on Supplementary Information

Board of Trustees
Olathe Medical Center, Inc
Olathe, Kansas

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole The consolidating schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the consolidated financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements The 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

BKD, LLP

Kansas City, Missouri
May 30, 2014

Olathe Medical Center, Inc.

Consolidating Schedule — Balance Sheet Information

December 31, 2013

Assets

	Total	Eliminations	Olathe Medical Center, Inc.	Olathe Medical Services, Inc.	Miami County Medical Center, Inc.	Olathe Medical Center Charitable Foundation
Current Assets						
Cash and cash equivalents	$ 7,336,317	$ -	$ 5,017,733	$ 907,229	$ 1,411,355	$ -
Patient accounts receivable, net	38,355,161		31,739,802	3,889,114	2,726,245	-
Short-term investments and other assets	14,380,578		11,931,316	956,393	1,114,794	378,075
Funds held by trustee required for current liabilities	595,147		466,677	-	128,470	-
Supplies	6,971,367		5,374,004	816,530	780,833	-
Prepaid expenses	3,385,783		2,689,997	403,573	291,512	701
Total current assets	71,024,353		57,219,529	6,972,839	6,453,209	378,776
Assets Limited as to Use, Net of Current Portion						
Investment portfolio (internally designated)	333,972,051		289,269,770	-	42,500,760	2,201,521
Externally restricted by donors	2,238,585		1,639,960	-	19,153	579,472
	336,210,636		290,909,730	-	42,519,913	2,780,993
Property and Equipment, Net	175,171,994		136,385,733	33,385,254	5,401,007	-
Other Assets						
Deferred financing costs	1,088,889		1,067,230	-	21,659	-
Long-term investments	7,959,436		1,629,192	6,330,244	-	-
Investments in and advances to affiliates	9,327,510	(82,619,735)	94,133,479	(1,702,714)	(293,036)	(190,484)
	18,375,835	(82,619,735)	96,829,901	4,627,530	(271,377)	(190,484)
Total assets	$ 600,782,818	$ (82,619,735)	$ 581,344,893	$ 44,985,623	$ 54,102,752	$ 2,969,285

Olathe Medical Center, Inc.

Consolidating Schedule — Balance Sheet Information (Continued)

December 31, 2013

Liabilities and Net Assets

	Total	Eliminations	Olathe Medical Center, Inc.	Olathe Medical Services, Inc.	Miami County Medical Center, Inc.	Olathe Medical Center Charitable Foundation
Current Liabilities						
Current maturities of long-term debt	$ 5,494,594	$ -	$ 5,153,720	$ 25,874	$ 315,000	$ -
Accounts payable	15,139,460		13,185,488	1,195,974	754,829	3,169
Accounts payable - construction	461,552		460,111	1,441	-	-
Accrued payroll and related liabilities	16,010,154		9,374,908	5,865,574	765,672	4,000
Accrued interest	1,077,378		1,008,952	2,136	66,290	-
Accrued property taxes	103,847		101,828	-	2,019	-
Estimated self-insurance costs	4,906,905		4,906,905	-	-	-
Estimated amounts due to third-party payers	595,494		557,494	-	38,000	-
Total current liabilities	43,789,384		34,749,406	7,090,999	1,941,810	7,169
Deferred Compensation	7,928,361		1,598,117	6,330,244	-	-
Long-term Debt	120,695,009		116,627,306	38,758	4,028,945	-
Total liabilities	172,412,754		152,974,829	13,460,001	5,970,755	7,169
Net Assets						
Unrestricted	426,131,474	(82,021,109)	426,131,474	31,525,622	48,112,844	2,382,643
Temporarily restricted	2,120,303	(480,339)	2,120,303	-	19,153	461,186
Permanently restricted	118,287	(118,287)	118,287	-	-	118,287
Total net assets	428,370,064	(82,619,735)	428,370,064	31,525,622	48,131,997	2,962,116
Total liabilities and net assets	$ 600,782,818	$ (82,619,735)	$ 581,344,893	$ 44,985,623	$ 54,102,752	$ 2,969,285

Olathe Medical Center, Inc.

Consolidating Schedule of Operations

Year Ended December 31, 2013

	Total	Eliminations	Olathe Medical Center, Inc.	Olathe Medical Services, Inc.	Miami County Medical Center, Inc.	Olathe Medical Center Charitable Foundation
Unrestricted Revenues and Other Support						
Net patient service revenue (net of contractual allowances)	$ 280,155,064	$ -	$ 207,810,239	$ 54,093,820	$ 18,251,005	$ -
Provision for uncollectible accounts	(14,276,055)	-	(11,487,506)	(898,061)	(1,890,488)	-
Net patient service revenue	265,879,009	-	196,322,733	53,195,759	16,360,517	-
Other revenue	8,845,383	(807,658)	6,408,801	1,183,139	1,684,390	376,711
Net assets released from restriction used for operations	56,466	-	50,166	-	-	6,300
	274,780,858	(807,658)	202,781,700	54,378,898	18,044,907	383,011
Expenses						
Salaries	132,786,531	-	71,558,464	53,285,963	7,805,485	136,619
Employee benefits	23,015,486	-	12,806,299	8,577,540	1,613,296	18,351
Supplies and other expenses	84,702,789	(807,658)	65,896,477	12,564,256	6,716,496	333,218
Depreciation and amortization	15,481,157	-	12,023,217	2,468,392	989,548	-
Interest	3,588,126	-	3,294,001	88,252	205,873	-
Insurance	2,391,479	-	1,355,180	907,485	128,647	167
Medicaid assessment	1,826,252	-	1,754,310	-	71,942	-
	263,791,820	(807,658)	168,687,948	77,891,888	17,531,287	488,355
Operating Income (Loss)	10,989,038	-	34,093,752	(23,512,990)	513,620	(105,344)
Other Income (Expense)						
Net investment income	7,715,056	(2,303)	6,611,283	2,303	1,027,050	76,723
Net realized gain on sale of investments	11,434,497	-	11,404,778	-	3,686	26,033
Change in net unrealized gains and losses on trading securities	33,469,995	-	27,315,505	-	5,893,943	260,547
Gain (loss) on investment in equity investees	375,702	15,816,732	(15,441,030)	-	-	-
	52,995,250	15,814,429	29,890,536	2,303	6,924,679	363,303
Excess (Deficiency) of Revenues Over Expenses	63,984,288	15,814,429	63,984,288	(23,510,687)	7,438,299	257,959
Net assets released - capital	1,533,250	-	1,533,250	-	-	-
Transfers (to) from affiliate	(15,148)	(21,994,562)	(15,148)	22,193,453	-	(198,891)
Increase (Decrease) in Unrestricted Net Assets	$ 65,502,390	$ (6,180,133)	$ 65,502,390	$ (1,317,234)	$ 7,438,299	$ 59,068