See a Social Security Number? Say Something!
Report Privacy Problems to https://public.resource.org/privacy
Or call the IRS Identity Theft Hotline at 1-800-908-4490

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493318018194

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
City Hospital Inc

Doing Business As
Berkeley Medical Center

Number and street (or P O box if mail is not delivered to street address) 2000 Foundation Way Room 2310

Room/suite

City or town, state or province, country, and ZIP or foreign postal code
Martinsburg, WV 25401

D Employer identification number
55-0383321

E Telephone number
(304) 264-1000

G Gross receipts $ 173,209,686

F Name and address of principal officer
Kathleen Quinones
2000 Foundation Way Suite 2310
Martinsburg, WV 25401

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 wvuniversityhealthcare com

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

L Year of formation 1940

M State of legal domicile WV

Part I Summary

1 Briefly describe the organization's mission or most significant activities
City Hospital is a nonprofit acute care hospital providing high-quality health wellness services to the residents of the Eastern Panhandle of WV

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**	15
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	15
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	1,503
6	Total number of volunteers (estimate if necessary)	**6**	89
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**	

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	263,337	163,249
9	Program service revenue (Part VIII, line 2g)	154,650,250	167,633,031
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	115,821	974,809
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,950,995	4,290,016
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	156,980,403	173,061,105
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	27,430	144,409
14	Benefits paid to or for members (Part IX, column (A), line 4)		0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	66,385,514	71,556,384
16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	84,949,061	97,124,297
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	151,362,005	168,825,090
19	Revenue less expenses Subtract line 18 from line 12	5,618,398	4,236,015

Revenue / Expenses

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	109,049,527	111,379,722
21	Total liabilities (Part X, line 26)	80,982,615	79,444,307
22	Net assets or fund balances Subtract line 21 from line 20	28,066,912	31,935,415

Net Assets or Fund Balances

Part II Signature Block

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

Sign Here

▶ Signature of officer — 2014-11-06 Date

▶ Kathleen Quinones VP of 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
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no	

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

The mission of City Hospital is to provide high quality, cost effective health and wellness services to the community CHI provides these to patients in need without consideration of their ability to pay

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 $ 43,369,337 including grants of $) (Revenue $ 92,226,858)

City Hospital provides general medical services to the residents in the Eastern Panhandle region of WV Such services include family medicine, internal medicine, observation, a fully accredited cancer center, and outpatient ancillary testing During 2013, City Hospital documented 140,879 ancillary tests, and 2,727 observation visits

4b (Code) (Expenses $ 7,744,596 including grants of $) (Revenue $ 17,004,952)

In November 2012 a new Outpatient Oncology suite was opened to serve patients of City Hospital Inc by offering physician offices as well as an expanded outpatient treatment center in the same location, giving us the ability to treat an expanded number of patients City Hospital also maintains an inpatient Oncology department offering comprehensive cancer care services including chemotherapy dedicated inpatient oncology unit, Clinical Trials, and an American College of Surgeons accredited cancer program During 2013 there were 14,794 patient visits to Oncology

4c (Code) (Expenses $ 7,234,701 including grants of $) (Revenue $ 15,885,368)

The General Surgery department at City Hospital is staffed by specialists and general surgeons offering the latest in surgical techniques including laproscopic procedures, lithotripsy, and same day/ambulatory surgery Same day surgery visits for 2013 totaled 8,239

4d Other program services (Describe in Schedule O)

(Expenses $ 65,230,915 including grants of $ 144,409) (Revenue $ 42,570,638)

4e **Total program service expenses** ▶ 123,579,549

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		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**		No
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		
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	170		
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			
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	1,503		
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			No
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			
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**	15		
	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**	15		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**			No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**			No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**			No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

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

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

Section C. Disclosure

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

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

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

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

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

▶Kathleen Quinones 2000 Foundation Way Suite 2310
Martinsburg, WV 25401 (304) 264-1443

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) Robert F Baronner Jr Chairman	02 73	X		X				0	0	0
(2) Suzanne Shipley Vice-Chairman	02 73	X		X				0	0	0
(3) D Scott Roach Treasurer	02 73	X		X				0	0	0
(4) Betty Gunnoe Secretary	02 73	X		X				0	0	0
(5) Keith Berkeley DVM Director	02 73	X						0	0	0
(6) Fred Butcher PhD Director	02 73	X						0	0	0
(7) Jacqueline Long Director	02 73	X						0	0	0
(8) Terry Hess Director	02 73	X						0	0	0
(9) David Baltierra MD JMH Med Staff President	02 73	X						0	0	0
(10) David DeJarnett Director	02 73	X						0	0	0
(11) Rhonda Monroe Director	02 73	X						0	0	0
(12) John A Draper Jr MD CHI Med Staff President	02 73	X						0	0	0
(13) Konrad C Nau MD Director	02 73	X						0	0	0
(14) Nicholas Trietsch Director	02 73	X						0	0	0
(15) Dr Richard Knapp Director	02 73	X						0	0	0
(16) Anthony Zelenka Chief Administrative Officer	50 00			X				298,562	0	32,238
(17) Robert Strauch VP Med Affairs	40 00			X				140,609	0	1,072

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Donna Clews VP of Nursing	40 00			X				182,720	0	7,513
(19) Linda Campbell Jones Chief CRNA	40 00				X			227,706	0	15,007
(20) Jason T White Assistant Chief CRNA	40 00					X		214,778	0	32,238
(21) Robert C Johnson Jr CRNA	40 00					X		215,982	0	31,827
(22) Cerissa Wehrle CRNA	40 00					X		206,723	0	0
(23) Donna Hupp Baker CRNA	40 00					X		208,627	0	8,382
(24) Stacey Anderson Physician	40 00					X		208,528	0	8,382

1b	**Sub-Total** . . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . . ▶	1,904,235		136,659

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 ▶ 38

			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
Quest Diagnostics 14225 Newbrook Dr Chantilly VA 20151	Lab Services	755,925
Focusone Solutions LLC 13609 California St 500 Omaha NE 681545233	Contract Labor	1,193,727
Martinsburg WV 2012 LLC 6737 W Washington St Suite 3245 Milwaukee WI 53214	Rent	661,042
Salutus Emer Specialists PO Box 1150 Martinsburg WV 25402	Contract Labor	710,540
Hospitalist Medicine Physicians of Berkeley County PLLC PO Box 645037 Cincinnato OH 45264	Contracted Hospitalists	1,156,155

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 ▶ 22

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	143,039			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	20,210			
	g	Noncash contributions included in lines 1a-1f $		1,126			
	h	**Total.** Add lines 1a-1f . . . . . ▶		163,249			
Program Service Revenue			Business Code				
	2a	Patient Services		166,127,812	166,127,812		
	b	Wellness Center		788,623	788,623		
	c	Prescription Sales		716,596	716,596		
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		167,633,031			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		1,123,390			1,123,390
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					
			(i) Real	(ii) Personal			
	6a	Gross rents	3,621				
	b	Less rental expenses					
	c	Rental income or (loss)	3,621				
	d	Net rental income or (loss) . . . . . ▶		3,621			3,621
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory					
	b	Less cost or other basis and sales expenses		148,581			
	c	Gain or (loss)		-148,581			
	d	Net gain or (loss) . . . . . ▶		-148,581			-148,581
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from fundraising events . . ▶					
	9a	Gross income from gaming activities See Part IV, line 19 . . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities . . ▶					
	10a	Gross sales of inventory, less returns and allowances . a					
	b	Less cost of goods sold . . b					
	c	Net income or (loss) from sales of inventory . . ▶					
		Miscellaneous Revenue	Business Code				
	11a	Partnership Passthrough Income		468,726			468,726
	b	Cafeteria Income		484,612			484,612
	c	Electronic Health Record Incentive		2,626,353			2,626,353
	d	All other revenue		706,704			706,704
	e	**Total.** Add lines 11a–11d . . . . . ▶		4,286,395			
	12	**Total revenue.** See Instructions . . . . . ▶		173,061,105	167,633,031		5,264,825

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	144,409	144,409		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	0			
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	905,427		905,427	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	55,492,761	45,023,202	10,469,559	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,628,186	1,321,004	307,182	
9 Other employee benefits	8,727,737	7,126,413	1,601,324	
10 Payroll taxes	4,802,273	3,896,251	906,022	
11 Fees for services (non-employees)				
a Management	0			
b Legal	70,133	4,747	65,386	
c Accounting	57,535		57,535	
d Lobbying	14,734		14,734	
e Professional fundraising services See Part IV, line 17				
f Investment management fees	0			
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	17,821,638	12,282,786	5,538,852	
12 Advertising and promotion	784,102	4,165	779,937	
13 Office expenses	7,356,003	4,433,780	2,922,223	
14 Information technology	318,237	15,887	302,350	
15 Royalties . .	0			
16 Occupancy	2,333,848	639,014	1,694,834	
17 Travel	231,316	150,099	81,217	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	77,820	40,392	37,428	
20 Interest	3,477,323		3,477,323	
21 Payments to affiliates	4,586,679		4,586,679	
22 Depreciation, depletion, and amortization	8,899,702		8,899,702	
23 Insurance	887,449		887,449	
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 Provision for Doubtful Accounts	21,057,052	21,057,052		
b Medical Supplies	22,738,187	22,738,187		
c Recruitment Expense	350,700	293,274	57,426	
d Taxes, Licenses, Fees	5,645,257	4,215,173	1,430,084	
e All other expenses	416,582	193,714	222,868	
25 **Total functional expenses.** Add lines 1 through 24e	168,825,090	123,579,549	45,245,541	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		399,725	1	323,382
	2	Savings and temporary cash investments		23,778,310	2	24,154,963
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		20,198,112	4	21,904,713
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	638,964
	8	Inventories for sale or use		1,687,063	8	1,605,434
	9	Prepaid expenses and deferred charges		844,859	9	912,154
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 121,130,963			
	b	Less accumulated depreciation	10b 67,789,945	54,963,877	10c	53,341,018
	11	Investments—publicly traded securities		41,391	11	4,305
	12	Investments—other securities See Part IV, line 11		2,350,331	12	2,425,704
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		4,785,859	15	6,069,085
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		109,049,527	16	111,379,722
Liabilities	17	Accounts payable and accrued expenses		12,156,564	17	12,909,406
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		52,295,376	20	51,219,094
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		16,530,675	25	15,315,807
	26	**Total liabilities.** Add lines 17 through 25		80,982,615	26	79,444,307
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		27,591,975	27	31,460,478
	28	Temporarily restricted net assets		472,937	28	472,937
	29	Permanently restricted net assets		2,000	29	2,000
		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		28,066,912	33	31,935,415
	34	Total liabilities and net assets/fund balances		109,049,527	34	111,379,722

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	173,061,105
2	Total expenses (must equal Part IX, column (A), line 25)	2	168,825,090
3	Revenue less expenses Subtract line 2 from line 1	3	4,236,015
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	28,066,912
5	Net unrealized gains (losses) on investments	5	950,811
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	-1,318,323
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	31,935,415

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		

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493318018194

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
City Hospital Inc

Employer identification number
55-0383321

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**	0 %
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	0 %
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	0 %
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	

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493318018194

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
City Hospital Inc	55-0383321

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)	14,734	
c Total lobbying expenditures (add lines 1a and 1b)	14,734	
d Other exempt purpose expenditures	153,579,549	
e Total exempt purpose expenditures (add lines 1c and 1d)	153,594,283	
f Lobbying nontaxable amount Enter the amount from the following table in both columns	1,000,000	
g Grassroots nontaxable amount (enter 25% of line 1f)	250,000	
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	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c Total lobbying expenditures	12,820	13,274	14,888	14,734	55,716
d Grassroots nontaxable amount	250,000	250,000	250,000	250,000	1,000,000
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
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?			
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c	Media advertisements?			
d	Mailings to members, legislators, or the public?			
e	Publications, or published or broadcast statements?			
f	Grants to other organizations for lobbying purposes?			
g	Direct contact with legislators, their staffs, government officials, or a legislative body?			
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i	Other activities?			
j	Total Add lines 1c through 1i			
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
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
II-A 1b	The amount listed is made up of the amount of West Virginia Hospital Association and American Hospital Association dues that the associations determined as attributable to lobbying expense

Part IV Supplemental Information *(continued)*

Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493318018194

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
City Hospital Inc

Employer identification number
55-0383321

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		106,462		106,462
b Buildings		50,876,689	19,213,456	31,663,233
c Leasehold improvements				
d Equipment		62,894,608	43,835,527	19,059,081
e Other		7,253,204	4,740,962	2,512,242
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				53,341,018

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) Financial derivatives and other financial products		
(B) Closely-held equity interests		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶		

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

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

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

(a) Description	(b) Book value
(1) Unamortized Borrowing Costs	255,264
(2) Due from Affiliates	2,004,822
(3) Other Non-current Assets	3,808,999
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	6,069,085

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	
Federal income taxes	
Accrued wages, benefits and payroll taxes	6,409,539
Malpractice Liability	1,057,265
Accrued pension benefits	1,518,071
Accrued bond interest	715,900
Due to third Party Payors	904,000
Interest Rate Swaps	1,564,297
Self Insurance Liability	3,146,735
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	15,315,807

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	151,486,434
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	-375,704		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	-21,057,052		
e	Add lines **2a** through **2d**			2e	-21,432,756
3	Subtract line **2e** from line **1**			3	172,919,190
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b	141,915		
c	Add lines **4a** and **4b**			4c	141,915
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	173,061,105

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	146,449,299
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	-1,318,738		
e	Add lines **2a** through **2d**			2e	-1,318,738
3	Subtract line **2e** from line **1**			3	147,768,037
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b	21,057,053		
c	Add lines **4a** and **4b**			4c	21,057,053
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	168,825,090

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
X 2	The annual audit and financial statements of WVUH are prepared on a consolidated basis as a member of the WV United Health System The System accounts for uncertainty in income taxes using a recognition threshold of more likely than not to be sustained upon examination by the appropriate taxing authority Measurement of the tax uncertainty occurs if the recognition threshold is met Management determined there were no tax uncertainties that met the recognition threshold in 2013 and 2012 The Systems policy is to recognize interest related to unrecognized tax benefits in interest expense and penalties in operating expenses
XI 2d	Allowance for Doubtful Accounts presented as an offset to revenue on the audited financial statements For 990 purposes Allowances for Doubtful Accounts totaling 21,057,052 are presented as expense
XI 4b	Capital Campaign contributions of 239,907 from City Hospital Foundation were posted to the balance sheet of City Hospital financial statements, the amount was reported as contribution revenue for 990 reporting, rounding of 2 is also included
XII 2d	Unrealized Losses on Debt Instruments of 1,318,738 are included on the Financial Statements as expense are not included as expense on the 990
XII 4b	Allowance for Doubtful Accounts presented as an offset to revenue on the audited financial statements, for 990 purposes Allowances for Doubtful Accounts totaling 21,057,052 are presented as expense

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

Additional Data

Software ID: 13000230
Software Version: 13.6.0.0
EIN: 55-0383321
Name: City Hospital Inc

Form 990, Schedule D, Part X, - Other Liabilities

1 (a) Description of Liability	(b) Book Value
Federal income taxes	
Accrued wages, benefits and payroll taxes	6,409,539
Malpractice Liability	1,057,265
Accrued pension benefits	1,518,071
Accrued bond interest	715,900
Due to third Party Payors	904,000
Interest Rate Swaps	1,564,297
Self Insurance Liability	3,146,735

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493318018194

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
City Hospital Inc

Employer identification number
55-0383321

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year			
	☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care	3a	Yes	
	☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %			
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care	3b		No
	☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %			
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	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)			4,044,571		4,044,571	2 740 %
b Medicaid (from Worksheet 3, column a)			29,677,011	18,471,863	11,205,148	7 580 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			533,850	427,155	106,695	0 070 %
d **Total** Financial Assistance and Means-Tested Government Programs			34,255,432	18,899,018	15,356,414	10 390 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			64,417		64,417	0 040 %
f Health professions education (from Worksheet 5)			634,049	110,979	523,070	0 350 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			18,162		18,162	0 010 %
j **Total.** Other Benefits			716,628	110,979	605,649	0 400 %
k **Total.** Add lines 7d and 7j			34,972,060	19,009,997	15,962,063	10 790 %

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			4,151		4,151	
2	Economic development			1,048		1,048	
3	Community support						
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**			5,199		5,199	

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	8,987,150		
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	699,107		
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	54,298,765
6	Enter Medicare allowable costs of care relating to payments on line 5	6	61,746,545
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-7,447,780
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					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

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

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

A

Name of hospital facility or facility reporting group _____

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

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 13			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**	Yes	
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) www.wvuniversityhealthcare.com			
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**		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $_____			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 0000000002 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**		No
If "Yes," indicate the FPG family income limit for eligibility for discounted care __% 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**	Yes	
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**	Yes	
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
Group City Hospital, Inc Line Part V, Section B, Line 3	During a three month period, representatives of the MAPP core Group met with more than 300 people in 27 locations, ranging from Chamber of Commerce meetings to the Hispanic Festival Participating community members were asked one question What do we need in our county to make it a healthy place to live, work and play With 1,756 responses approximately 3-4 responses per person, the feedback obtained through the visioning process was varied The reponses were first condensed into broad strategy categories
Group City Hospital, Inc Line Part V, Section B, Line 3	These categories were initially established by the number of times specific types of strategies were suggested CHNA stakeholder and representatives from the HHSC were asked to further select the top three priority areas for intervention Both groups identified the same top three priorities for the region, although the rank order was different between the two groups The CHNA top three priority areas were 1 Access to and the quality of health care 2 Community and public health and, 3 Economic security The Health and Human Services Collaborative HHSC ranked the top three priorities as follows 1 Access to and the quality of health care 2 Economic security and, 3 Community and public health
Group City Hospital, Inc Line Part V, Section B, Line 4	The CHNA was undertaken jointly with Jefferson Memorial Hospital
Group City Hospital, Inc Line Part V, Section B, Line 7	Together City Hospital and Jefferson Memorial Hospital prioritized the community health needs identified in the Assessment and decided to focus on the top 3 issues identified in the CHNA 1 Chronic Diseases/Illness, 2 Behavioral Health/Substance Abuse, and 3 Cancer in particular lung and breast Our implementation plan was based on addressing these 3 issues Maternal/Child Health and access to better, healthy Food Choices community gardens, farmers markets were both identified as well Although those issues were not included in the implementation plan, Berkeley Medical Center did recently open a NICU and the WVU Health Sciences Center Eastern Division and University Healthcare collaborated with local farmers markets to obtain a federal grant to improve access to these products for residents in the Eastern Panhandle We are not ignoring these issues We simply wanted to focus our efforts on the top 3 community health needs that were identified in our study
Group City Hospital, Inc Line Part V, Section B, Line 11	City Hospital offers discounted care only to individuals who qualify for free care CHI offers a Prompt - Pay Discount Program - patients who have no third party coverage uninsured or uninsurable may be eligible for a 50 self-pay discount while patients who have a guarantor balance may be eligible for a 20 discount To be eligible for either prompt pay discounted the patient/guarantor must meet certain requirements
Group City Hospital, Inc Line Part V, Section B, Line 22	City Hospital charges all patients an amount equal to gross charges regardless of payment method

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? _____

	Name and address	Type of Facility (describe)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Provide the following information

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

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

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

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

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

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

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

Form and Line Reference	Explanation
Part I Line 3c	City Hospital Inc CHI uses 200 Federal Poverty Guideline to determine free care eligibility CHI offers a Prompt - Pay Discount Program - patients who have no third party coverage uninsured or uninsurable may be eligible for a 50 self-pay discount while patients who have a guarantor balance may be eligible for a 20 discount To be eligible for either prompt pay discounted the patient/guarantor must meet certain requirements
Part I Line 6a	Community benefit amounts for City Hospital, Inc are reported on WV United Health Systems website www wvunitedhealthsystem org under community responsibility report

Form and Line Reference	Explanation
Part I Line 7	Column f - Total community benefit expense for 2013 is 34,972,059 and is 23 67 of total net expenses To calculate net expense, bad debt of 21,057,052 was deducted from total expenses of 168,825,090 as shown in Part IX line 25 of the core Form 990
Part I Line 7	Worksheet 2 from the IRS Schedule H instructions was used to derive the Cost-to-charge ratio, which was used to calculate Charity Care at cost, Unreimbursed Medicaid and other means-tested government programs at cost To calculate the Medicare allowable cost shown on Part III question 8 we used the allowable cost from the Medicare Cost Report

Form and Line Reference	Explanation
Part II	Physical improvements and housing City Hospital employees spent a weekday volunteering at two local social service agencies on behalf of the United Way of the Eastern Panhandle City Hospital also provided the kick-off breakfast for all 500 volunteers throughout the Eastern Panhandle
Part II	Economic Development In 2013, hospital representatives participated as members of the Berkeley County Development Authority, the Berkeley County Board of Health, and as Board Members of the Martinsburg Berkeley County Chamber of Commerce

Form and Line Reference	Explanation
Part II	Community Support City Hospital supports and participates in many health related community activities by providing judges for science fairs at the local schools We have teams that participate in the annual March of Dimes Walk in Berkeley County, American Cancer Society Relay for Life in Berkeley County and various other fundraising events for local, health related, non-profit organizations Many employees serve as volunteer board of directors for community non-profit organizations such as Hospice of the Panhandle, Boys Girls Club of the Eastern Panhandle, Eastern Panhandle Free Clinic and the United Way of the Eastern Panhandle
Part II	Leadership Development and Training At least one management representative from City Hospital participates in the Chamber of Commerces Leadership Berkeley class each year The hospital also has representatives on the Workforce Development Committee of the Chamber of Commerce The Education Department works closely with Blue Ridge Community and Technical College to provide leadership training programs

Form and Line Reference	Explanation
Part II	Coalition building CHI staff participate in the Health Human Services Council as well as Healthier Berkeley County All of these entities focus on improving community access to health care, human services in general, and determine ways to encourage healthy lifestyles
Part II	Community Health Improvement Advocacy City Hospital is a partner in the MAPP project which is a collaborative initiative to access community social services needs and develop a plan to tackle these issues In 2013, City Hospital completed its community health needs assessment and has developed implementation plans to address three key issues - chronic disease, breast and lun cancers, and behavioral health/drug and alcohol abuse issues

Form and Line Reference	Explanation
Part II	Workforce Development City Hospital participates in activities sponsored by the Martinsburg Berkeley County Chambers Workforce Development Committee City Hospital is also a major sponsor of the Womens Network, which is an organization, established by the Berkeley County Chamber, which sponsors womens professional activities, social network and professional development seminars A representative from City Hospital also serves on the Blue Ridge Community Technical College Board of Governors City Hospital also has agreements with area community colleges and universities to allow students to complete clinical rotations at the hospital
Part III Line 2	Bad Debt Expense at cost was calculated by multiplying bad debt expense of 21,057,052 by our cost-to-charge ratio of 42 68 derived from Worksheet 2 in the IRS Schedule H instructions for a total of 8,987,150

Form and Line Reference	Explanation
Part III Line 3	Estimated bad debt attributable to patients eligible for charity care was calculated by running a report within our patient revenue software of all bad debt account balances greater than 25,000 The total of that report was 1,638,020, which was then multiplied by the cost-to-charge ratio of 42 68 for a total of 699,107
Part III Line 3	We feel that, at a minimum, the estimated bad debt attributable to patients eligible for charity care of 699,107 should be considered community benefit due to the fact that a patient with an outstanding balance of 25,000 or greater usually qualifies as catastrophic if the patient completes the application process In our Charity Care policy, we define catastrophic care as any illness or injury that will likely require continuous or frequent treatment for more than one year

Form and Line Reference	Explanation
Part III Line 4	City Hospitals footnote for Accounts Receivable - patients states accounts receivable are reported at net realizable value Accounts are written off when they are determined to be uncollectible based upon managements assessment of individual accounts The allowance for doubtful accounts is estimated based upon a periodic review of the accounts receivable aging, payor classifications, and application of historical write-off percentages City Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements, primarily with Medicare, Medicaid, and various commercial insurance companies CHI maintains allowances for potential credit losses and such losses have historically been within managements expectations
Part III Line 8	Part III Line 6 was calculated using total cost from the Medicare Cost Report less Medicare reimbursement of direct GME City Hospitals shortfall of 7,447,889 on Medicare program should be considered a community benefit because we are relieving a government burden by providing care in excess of our cost to these patients

Form and Line Reference	Explanation
Part III Line 9b	CHI does have a debt collection policy When a patient has been approved for financial assistance under our charity care policy, they will not be sent to bad debt Additionally, if a patient is being evaluated for charity, the patient will not be sent to bad debt agency pending charity guarantor status until the pending status has been finalized approved/denied All other patients with outstanding balances will be processed through billing and collections pursuant to our Financial Policy
Part VI Line 2	City Hospital Inc is a part of WVUH-East, Inc a healthcare system serving the Eastern Panhandle of WV The West Virginia University Hospitals, East WVUH-East Marketing Department considers several components in assessing how the organization determines the need of the communities it serves Through outside consultants to collaborating with various departments, a needs assessment takes into account several factors including physician to population ratios, physician availability in the entire service area, and general health risks for our community The Primary Service Area PSA for WVUH-East includes Berkeley County, WV and Jefferson County, WV with Morgan County, WV being a secondary service area This data is then analyzed to provide general estimates to whwere WVUH-East could better care for residents of West Virginias Eastern Panhandle

Form and Line Reference	Explanation
Part VI Line 2	Sources utilized to help gather this information come from a variety of areas Physician distribution and population data come from the American Medical Association and the U S Census Bureau and the general health risk for our community come from clinical diagnosis information gathered by the West Virginia Health Care Authority and Thomson Reuters Market Planner Plus We also conduct market research to ask consumers how they perceive the health system and where they go for health care services Once all the data is gathered to determine where residents of West Virginia are going for care and what types of services they are receiving, a needs assessment can then begin based on physician distribution and population estimates Note that WVUH-East is working with other local organizations in a project known as MAPP Mobilizing for Action through Planning
Part VI Line 3	City Hospital employs 4 financial analysts to meet with patients to discuss financial eligibility for our charity care program City Hospital has the qualification requirements, as well as, applications for charity care available at all registration areas Patients that do not qualify for state or federally funded programs can apply for the charity care program at City Hospital

Form and Line Reference	Explanation
Part VI Line 4	City Hospital is a non-profit acute care hospital located in Berkeley County, WV population 108,706 in the city of Martinsburg, WV Martinsburg is the largest city in the Eastern Panhandle, and the 9th largest municipality in the state of West Virginia, with a total population of 17,668 residents City Hospital along with Jefferson Memorial Hospital located in Ranson, West Virginia makes up University Healthcare with is a part of the West Virginia United Health System
Part VI Line 4	University Healthcare provides the majority of inpatient services for the population in our Primary Service Area PSA For Berkeley Medical Center the PSA consists of Berkeley County, WV and Jefferson County, WV The 2012 market share for Berkeley Medical Centers Primary Service Area is 45 3 withe 17 1 of those patients covered by Medicaid and 7 5 uninsured Jefferson Medical Center, a non-profit critical access hospital under common management, is located within the Primary Service Area and War Memorial Hospital, a non-profit critical access hospital, operated by Valley Health System, is located in the extended service area of Morgan County, WV

Form and Line Reference	Explanation
Part VI Line 4	Berkeley County has a population of 108,706, with an average household income of 53,332, and an unemployment rate of 6 0 Currently, 12 7 of the people residing in Berkeley County live below the federal poverty line according to the U S Census Bureau 2008-2012 Jefferson Countys population is 55,073, with an average household income of 64,314 and unemployment of 4 4 Currently, 11 1 of Jefferson county residents live below the poverty line In University Healthcares extended service area, Morgan County, WV has population of 17,498, with an average household income of 35,350 and unemployment rate of 5 8 Currently, 14 9 of Morgan County residents currently live below the poverty line
Part VI Line 5	The CHI board of directors is a community board, with fourteen of the fifteen members living in or around Martinsburg, WV The remaining board member lives in Morgantown, WV and has connections with CHI through the WV United Health System Having members living outside our PSA allows us to be more aware of the healthcare needs in other areas of West Virginia None of the board members are neither employees nor contractors of the organization, nor family members thereof

Form and Line Reference	Explanation
Part VI Line 5	CHI extends privileges to all qualified medical staff in Berkley County and surrounding communities to meet its healthcare needs
Part VI Line 5	CHI allocates available funding to capital purchases and expanded services to improve patient care, support medical education in Berkeley County and surrounding counties in West Virginia and bordering states

Form and Line Reference	Explanation
Part VI Line 6	CHI is a part of the WV United Health System CHI plays a significant role in improving the general health care of the community The strategic plan of the System states intent to build a regional health care delivery system in its services area, defined above, while offering a variety of options for providers who want to participate The System maintains a demonstrated commitment to assist rural communities in preserving and improving the health care available to the patients it serves
Part VI Line 6	System management is focused on recruitment of staff and employees to meet the growing needs of the aging population in the Systems services areas Other hospitals in the System include United Health Center, which is more centrally located in the state, Jefferson Memorial Hospital which is located in the Eastern Panhandle of WV, Camden Clark Medical Center in Parkersburg, WV and West Virginia University Hospitals located in Morgantown, WV

Additional Data

Software ID: 13000230
Software Version: 13.6.0.0
EIN: 55-0383321
Name: City Hospital Inc

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

Form and Line Reference	Explanation
Part I Line 3c	City Hospital Inc CHI uses 200 Federal Poverty Guideline to determine free care eligibility CHI offers a Prompt - Pay Discount Program - patients who have no third party coverage uninsured or uninsurable may be eligible for a 50 self-pay discount while patients who have a guarantor balance may be eligible for a 20 discount To be eligible for either prompt pay discounted the patient/guarantor must meet certain requirements
Part I Line 6a	Community benefit amounts for City Hospital, Inc are reported on WV United Health Systems website www wvunitedhealthsystem org under community responsibility report
Part I Line 7	Column f - Total community benefit expense for 2013 is 34,972,059 and is 23 67 of total net expenses To calculate net expense, bad debt of 21,057,052 was deducted from total expenses of 168,825,090 as shown in Part IX line 25 of the core Form 990
Part I Line 7	Worksheet 2 from the IRS Schedule H instructions was used to derive the Cost-to-charge ratio, which was used to calculate Charity Care at cost, Unreimbursed Medicaid and other means-tested government programs at cost To calculate the Medicare allowable cost shown on Part III question 8 we used the allowable cost from the Medicare Cost Report
Part II	Physical improvements and housing City Hospital employees spent a weekday volunteering at two local social service agencies on behalf of the United Way of the Eastern Panhandle City Hospital also provided the kick-off breakfast for all 500 volunteers throughout the Eastern Panhandle
Part II	Economic Development In 2013, hospital representatives participated as members of the Berkeley County Development Authority, the Berkeley County Board of Health, and as Board Members of the Martinsburg Berkeley County Chamber of Commerce
Part II	Community Support City Hospital supports and participates in many health related community activities by providing judges for science fairs at the local schools We have teams that participate in the annual March of Dimes Walk in Berkeley County, American Cancer Society Relay for Life in Berkeley County and various other fundraising events for local, health related, non-profit organizations Many employees serve as volunteer board of directors for community non-profit organizations such as Hospice of the Panhandle, Boys Girls Club of the Eastern Panhandle, Eastern Panhandle Free Clinic and the United Way of the Eastern Panhandle
Part II	Leadership Development and Training At least one management representative from City Hospital participates in the Chamber of Commerces Leadership Berkeley class each year The hospital also has representatives on the Workforce Development Committee of the Chamber of Commerce The Education Department works closely with Blue Ridge Community and Technical College to provide leadership training programs
Part II	Coalition building CHI staff participate in the Health Human Services Council as well as Healthier Berkeley County All of these entities focus on improving community access to health care, human services in general, and determine ways to encourage healthy lifestyles
Part II	Community Health Improvement Advocacy City Hospital is a partner in the MAPP project which is a collaborative initiative to access community social services needs and develop a plan to tackle these issues In 2013, City Hospital completed its community health needs assessment and has developed implementation plans to address three key issues - chronic disease, breast and lun cancers, and behavioral health/drug and alcohol abuse issues
Part II	Workforce Development City Hospital participates in activities sponsored by the Martinsburg Berkeley County Chambers Workforce Development Committee City Hospital is also a major sponsor of the Womens Network, which is an organization, established by the Berkeley County Chamber, which sponsors womens professional activities, social network and professional development seminars A representative from City Hospital also serves on the Blue Ridge Community Technical College Board of Governors City Hospital also has agreements with area community colleges and universities to allow students to complete clinical rotations at the hospital
Part III Line 2	Bad Debt Expense at cost was calculated by multiplying bad debt expense of 21,057,052 by our cost-to-charge ratio of 42 68 derived from Worksheet 2 in the IRS Schedule H instructions for a total of 8,987,150
Part III Line 3	Estimated bad debt attributable to patients eligible for charity care was calculated by running a report within our patient revenue software of all bad debt account balances greater than 25,000 The total of that report was 1,638,020, which was then multiplied by the cost-to-charge ratio of 42 68 for a total of 699,107
Part III Line 3	We feel that, at a minimum, the estimated bad debt attributable to patients eligible for charity care of 699,107 should be considered community benefit due to the fact that a patient with an outstanding balance of 25,000 or greater usually qualifies as catastrophic if the patient completes the application process In our Charity Care policy, we define catastrophic care as any illness or injury that will likely require continuous or frequent treatment for more than one year
Part III Line 4	City Hospitals footnote for Accounts Receivable - patients states accounts receivable are reported at net realizable value Accounts are written off when they are determined to be uncollectible based upon managements assessment of individual accounts The allowance for doubtful accounts is estimated based upon a periodic review of the accounts receivable aging, payor classifications, and application of historical write-off percentages City Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements, primarily with Medicare, Medicaid, and various commercial insurance companies CHI maintains allowances for potential credit losses and such losses have historically been within managements expectations
Part III Line 8	Part III Line 6 was calculated using total cost from the Medicare Cost Report less Medicare reimbursement of direct GME City Hospitals shortfall of 7,447,889 on Medicare program should be considered a community benefit because we are relieving a government burden by providing care in excess of our cost to these patients
Part III Line 9b	CHI does have a debt collection policy When a patient has been approved for financial assistance under our charity care policy, they will not be sent to bad debt Additionally, if a patient is being evaluated for charity, the patient will not be sent to bad debt agency pending charity guarantor status until the pending status has been finalized approved/denied All other patients with outstanding balances will be processed through billing and collections pursuant to our Financial Policy
Part VI Line 2	City Hospital Inc is a part of WVUH-East, Inc a healthcare system serving the Eastern Panhandle of WV The West Virginia University Hospitals, East WVUH-East Marketing Department considers several components in assessing how the organization determines the need of the communities it serves Through outside consultants to collaborating with various departments, a needs assessment takes into account several factors including physician to population ratios, physician availability in the entire service area, and general health risks for our community The Primary Service Area PSA for WVUH-East includes Berkeley County, WV and Jefferson County, WV with Morgan County, WV being a secondary service area This data is then analyzed to provide general estimates to whwere WVUH-East could better care for residents of West Virginias Eastern Panhandle
Part VI Line 2	Sources utilized to help gather this information come from a variety of areas Physician distribution and population data come from the American Medical Association and the U S Census Bureau and the general health risk for our community come from clinical diagnosis information gathered by the West Virginia Health Care Authority and Thomson Reuters Market Planner Plus We also conduct market research to ask consumers how they perceive the health system and where they go for health care services Once all the data is gathered to determine where residents of West Virginia are going for care and what types of services they are receiving, a needs assessment can then begin based on physician distribution and population estimates Note that WVUH-East is working with other local organizations in a project known as MAPP Mobilizing for Action through Planning
Part VI Line 3	City Hospital employs 4 financial analysts to meet with patients to discuss financial eligibility for our charity care program City Hospital has the qualification requirements, as well as, applications for charity care available at all registration areas Patients that do not qualify for state or federally funded programs can apply for the charity care program at City Hospital
Part VI Line 4	City Hospital is a non-profit acute care hospital located in Berkeley County, WV population 108,706 in the city of Martinsburg, WV Martinsburg is the largest city in the Eastern Panhandle, and the 9th largest municipality in the state of West Virginia, with a total population of 17,668 residents City Hospital along with Jefferson Memorial Hospital located in Ranson, West Virginia makes up University Healthcare with is a part of the West Virginia United Health System
Part VI Line 4	University Healthcare provides the majority of inpatient services for the population in our Primary Service Area PSA For Berkeley Medical Center the PSA consists of Berkeley County, WV and Jefferson County, WV The 2012 market share for Berkeley Medical Centers Primary Service Area is 45 3 withe 17 1 of those patients covered by Medicaid and 7 5 uninsured Jefferson Medical Center, a non-profit critical access hospital under common management, is located within the Primary Service Area and War Memorial Hospital, a non-profit critical access hospital, operated by Valley Health System, is located in the extended service area of Morgan County, WV
Part VI Line 4	Berkeley County has a population of 108,706, with an average household income of 53,332, and an unemployment rate of 6 0 Currently, 12 7 of the people residing in Berkeley County live below the federal poverty line according to the U S Census Bureau 2008-2012 Jefferson Countys population is 55,073, with an average household income of 64,314 and unemployment of 4 4 Currently, 11 1 of Jefferson county residents live below the poverty line In University Healthcares extended service area, Morgan County, WV has population of 17,498, with an average household income of 35,350 and unemployment rate of 5 8 Currently, 14 9 of Morgan County residents currently live below the poverty line
Part VI Line 5	The CHI board of directors is a community board, with fourteen of the fifteen members living in or around Martinsburg, WV The remaining board member lives in Morgantown, WV and has connections with CHI through the WV United Health System Having members living outside our PSA allows us to be more aware of the healthcare needs in other areas of West Virginia None of the board members are neither employees nor contractors of the organization, nor family members thereof
Part VI Line 5	CHI extends privileges to all qualified medical staff in Berkley County and surrounding communities to meet its healthcare needs
Part VI Line 5	CHI allocates available funding to capital purchases and expanded services to improve patient care, support medical education in Berkeley County and surrounding counties in West Virginia and bordering states
Part VI Line 5	In 2009, CHI began offering discounted screening in response to a struggling economy Recognizing that individuals were putting off scheduling routine, preventive testing such as mammograms and blood work, CHI offered Discounted Mammogram Clinics in May 2013 and then again in October 2013 cash, no insurance The clinics were successful in serving over 100 patients at City Hospital The Rotary Health Fair, held in April, provided a full blood work-up at cost Nearly 500 individuals took advantage of these screenings
Part VI Line 5	Our Mini-Medical School Program, which is held 6 times per year in Berkeley County, is a community health education program featuring local physicians and topics that address health needs in our communities The program is jointly sponsored by WVUH-East and the WVU Robert C Byrd Health Sciences Center Eastern Division It is offered free to the community with an average attendance of 75 - 100 in Berkeley County
Part VI Line 6	CHI is a part of the WV United Health System CHI plays a significant role in improving the general health care of the community The strategic plan of the System states intent to build a regional health care delivery system in its services area, defined above, while offering a variety of options for providers who want to participate The System maintains a demonstrated commitment to assist rural communities in preserving and improving the health care available to the patients it serves
Part VI Line 6	System management is focused on recruitment of staff and employees to meet the growing needs of the aging population in the Systems services areas Other hospitals in the System include United Health Center, which is more centrally located in the state, Jefferson Memorial Hospital which is located in the Eastern Panhandle of WV, Camden Clark Medical Center in Parkersburg, WV and West Virginia University Hospitals located in Morgantown, WV

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493318018194

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
City Hospital Inc

Employer identification number
55-0383321

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) University Healthcare Foundation 2000 Foundation Way Suite 2310 Martinsburg, WV 25401	31-1118075	501c3	5,000				Support

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

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

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

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

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

Return Reference	Explanation
Part I Line 2	City Hospital also contributed suppport this year to University Helathcare Foundation as part of a capital campaign drive that the Foundation is running City Hospital provides support to related parties to help further the exempt purpose of the organizations

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493318018194

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
City Hospital Inc

Employer identification number
55-0383321

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**		
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**		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III ☐ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☐ Compensation survey or study ☐ Form 990 of other organizations ☐ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1)Anthony Zelenka Chief Administrative Officer	(i) (ii)	277,374	20,000	1,188		32,238	330,800	
(2)Donna Clews VP of Nursing	(i) (ii)	172,434	8,000	2,286		7,513	190,233	
(3)Linda Campbell Jones Chief CRNA	(i) (ii)	226,932		774		15,007	242,713	
(4)Jason T White Assistant Chief CRNA	(i) (ii)	214,598		180		32,238	247,016	
(5)Robert C Johnson Jr CRNA	(i) (ii)	215,934		48		31,827	247,809	
(6)Cerissa Wehrle CRNA	(i) (ii)	205,775		948			206,723	
(7)Donna Hupp Baker CRNA	(i) (ii)	208,369		258		8,382	217,009	
(8)Stacey Anderson Physician	(i) (ii)	201,916	5,445	1,167		8,382	216,910	

Part III Supplemental Information

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

Return Reference	Explanation
Part I Line 3	Salaries of all officers are subject to the approval of a compensation committee designated by the WVUH-East Board of Directors This committee uses the work of an independent salary and benefit consultant to determine the compensation packages to be made available to officers and that the compensation does not exceed fair market value of comparable positions at similar organizations All data is retained and all decisions are appropriately documented pertaining to the compensation setting practices This review occurs annually and was last completed in 2012 for 2013 compensation amounts

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493318018194

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
City Hospital Inc

Employer identification number
55-0383321

Return Reference	Explanation
Form 990, Part III, Line 4d	Program Service Expenses 65,230,915, Grants and allocations 144,409, Revenue 42,570,638 In September 2009 City Hospital Inc opened a new 18-bed Orthopedic Unit The unit is tailored toward personal care, patient comfort and privacy The unit features a dedicated orthopedic nursing staff supported by staff from rehabilitation, care management, nutrition, and respiratory therapy The team specializes in the care of patients following orthopedic surgery including total joints, fractures and knee and hip replacements Orthopedic patient days in 2013 totaled 3,377, and 361 observation days

Return Reference	Explanation
Form 990, Part III, Line 4d	Program Service Expenses 0, Grants and allocations 0, Revenue 0 City Hospital, Inc CHI is a not-for-profit facility that operates twenty-four hours a day, seven days a week The hospital provides acute care services, as well as emergency and specialty patient care CHI serves as part of a regional health system, WVUH-East which serves Berkeley, Jefferson and Morgan Counties City Hospital serves as a clinical education site for WVU, the WV School of Osteopathic Medicine and other universities and community colleges in the area The Erma Byrd Health Professions Education Center, which houses WVUs Robert C Byrd Health Sciences Center-Eastern Division, is also located on the City Hospital campus

Return Reference	Explanation
Form 990, Part III, Line 4d	Program Service Expenses 0, Grants and allocations 0, Revenue 0 City Hospital has a Level III Trauma Center and a fully accredited Cancer Program which offers cancer drug trials through its affiliation with the Mary Babb Randolph Cancer Center in Morgantown, WV CHIs state of the art imaging services include but are not limited to 64 slice CT, PET CT, SPECT CT, MRI, Open Bore MRI, ultrasound, and digital mammography

Return Reference	Explanation
Form 990, Part III, Line 4d	Program Service Expenses 0, Grants and allocations 0, Revenue 0 A 28 million expansion project launched at City Hospital in 2009 brought a new cardiac catheterization lab to City Hospital in October 2010 Although the lab performed diagnostic catheterizations through December 2010, the lab expanded services in January 2011 to include elective primary coronary intervention PCI and emergent therapeutic cardiac catheterization STEMI A new 20-bed ICU/CCU opened at the same time which included four cardiac beds to support the cath lab The third component, a new Emergency Department that can accommodate up to 65,000 patients, opened in 2011 as well

Return Reference	Explanation
Form 990, Part III, Line 4d	Program Service Expenses 0, Grants and allocations 0, Revenue 0 Other services provided by City Hospital, in addition to patient care, include a teaching program and a variety of community outreach involvement programs In 2006, City Hospital changed surveying vendors to Press Ganey With over 900 hospitals in their database, allowing for comparison to a much larger base of hospitals than with the prior vendor and creating more opportunities for future improvements City Hospital also contracted with Custom Learning Systems to create an organizational culture that focuses on customer service

Return Reference	Explanation
Form 990, Part III, Line 4d	Program Service Expenses 0, Grants and allocations 0, Revenue 0 The General Surgery department at City Hospital is staffed by specialists and general surgeons offering the latest in surgical techniques including laproscopic procedures, lithotripsy, and same day/ambulatory surgery Same day surgery visits for 2013 totaled 8,239

Return Reference	Explanation
Form 990, Part IV, Line 24a	Bond issuances allocated to City Hospital, Inc are being reported on Schedule K of West Virginia University Hospitals, Inc EIN 55-0643304 West Virginia University Hospitals, Inc is a 501c3 and is the parent hospital of City Hospital, Inc

Return Reference	Explanation
Form 990, Part VI, Section B, Line 11a	The Form 990 is prepared by the WVUH tax accountant and then reviewed by the non-profit tax manager of our independent auditing firm and WVUH-Easts Vice President of Finance for review After gaining approval from the VP of Finance, it is then presented to all of the Board Members for a final review Upon review by the Board of Directors, it is signed and submitted to the IRS

Return Reference	Explanation
Form 990, Part VI, Section B, Line 12c	Annually, all Board Members, Vice Presidents, officers, and managers are required to disclose any relationships which may give rise to a conflict of interest These responses are processed and maintained by the WVUH-East Compliance Committee All board members are to be willing to identify conflicts of interest and abstain from voting when appropriate

Return Reference	Explanation
Form 990, Part VI, Section B, Line 15b	The compensation of all executives is determined through the use of an independent salary consulting firm compiling the compensation data of comparable organizations in comparable geographic locations This data is then used by an independent compensation committee to set the compensation for each executive The data and supporting documentation are retained and documented

Return Reference	Explanation
Form 990, Part VI, Section C, Line 19	All financial and governing documents including conflict of interest policy are retained onsite and are made available to the public upon request

Return Reference	Explanation
Form 990, Part IX, Line 11g	Other Services Expense includes Consulting and Professional Fees 812,117 - all considered managment general expense, Contract Labor 7,128,216 - 3,506,816 considered program service expense and 3,621,400 considered management general expense, Lab Fees 891,552 - 889,825 considered program service expense and 1,727 considered management general expense, Contract Labor - Patient Care 3,716,822 - 3,525,368 considered program service expense and 191,454 considered management general expense, CP Med Staff and Med Staff Director 4,435,798 - 4,359,121 considered program service expense and 77,677 considered management general expense, Chart Enhancement cost of 1,357 - all considered program service expense, and Collection Agency Fees 835,776 - 299 considered program service expense and 835,477 considered management general expense

Return Reference	Explanation
Form 990, Part XI, Line 9	Other changes in net assets or fund balance includes 104,752 Change in restricted net assets, 1,311,566 of related organization capitalization, and 97,994 of capital campaign contributions received by University Healthcare Foundation in 2013 and released from restriction in net asset but not transferred until January 2014 and 1 rounding

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493318018194

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
City Hospital Inc

Employer identification number
55-0383321

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
See Additional Data Table							

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?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) Allied Health Services Inc PO Box 782 Morgantown, WV 26507 55-0652017	Medical Lab	WV	N/A	C Corp					No
(2) West Virginia United Insurance Services Inc 1000 Technology Drive Suite 2320 Fairmont, WV 26554 55-0756055	Provider Network	WV	N/A	C Corp					No

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

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

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: 13000230
Software Version: 13.6.0.0
EIN: 55-0383321
Name: City Hospital Inc

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) West Virginia United Health System Inc 1000 Technology Drive Fairmont, WV 26554 55-0754713	Healthcare Access	WV	501C3	11 a	N/A		No
(1) West Virginia University Hospitals PO Box 8034 Morgantown, WV 26506 55-0643304	Patient Care	WV	501C3	3	WV United Health System	Yes	
(2) West Virginia University Hospitals - East Inc 2000 Foundation Way Martinsburg, WV 25401 20-2337985	Patient Access	WV	501C3	11a	West Virginia University Hospitals Inc	Yes	
(3) Jefferson Memorial Hospital Inc 2000 Foundation Way Martinsburg, WV 25401 55-0359755	Patient Care	WV	501C3	3	WVUH - East Inc	Yes	
(4) University Healthcare Foundation 2000 Foundation Way Martinsburg, WV 25401 31-1118075	Hospital Support	WV	501C3	11a	N/A		No
(5) Jefferson Healthcare Foundation Inc 2000 Foundation Way Martinsburg, WV 25401 55-0768901	Hospital Support	WV	501C3	11a	N/A		No
(6) United Health Foundation 327 Medical Park Drive Bridgeport, WV 26330 55-0621706	Hospital Support	WV	501C3	11a	N/A		No
(7) United Hospital Center Inc 327 Medical Park Drive Bridgeport, WV 26330 55-0525724	Patient Care	WV	501C3	3	WV United Health System	Yes	
(8) United Physicians Care Inc 686 South Pike Street Shinnston, WV 26431 55-0638563	Patient Care	WV	501C3	3	N/A		No
(9) United Summit Center Inc 6 Hospital Plaza Clarksburg, WV 26301 55-0752788	Behavioral Health	WV	501C3	3	N/A		No
(10) West Virginia Health Care Co-Op PO Box 8059 Morgantown, WV 26506 55-0650441	Support	WV	501C3	11a	N/A		No
(11) Camden-Clark Memorial Hospital 800 Garfield Ave Parkersburg, WV 26102 31-1524546	Patient Care	WV	501C3	3	WV United Health System	Yes	
(12) Camden-Clark Health Services 800 Garfield Ave Parkersburg, WV 26102 55-0769602	Healthcare Access	WV	501C3	11a, I	N/A		No
(13) Camden-Clark Foundation 800 Garfield Ave Parkersburg, WV 26102 55-0667789	Support	WV	501C3	11a	N/A		No
(14) Camden-Clark Physician Corp 604 Ann Street Parkersburg, WV 26102 26-4058719	Patient Care	WV	501C3	11a, I	N/A		No
(15) University Healthcare Physicians 2500 Foundation Way Martinsburg, WV 25401 90-0893455	Patient Care	WV	501C3	11a, a	N/A		No

West Virginia United Health System, Inc. and Controlled Entities

Consolidated Financial Statements
and Supplementary Information

December 31, 2013 and 2012

West Virginia United Health System, Inc. and Controlled Entities

Table of Contents
December 31, 2013 and 2012

ParenteBeard

Independent Auditors' Report

Board of Directors
West Virginia United Health System, Inc

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of West Virginia United Health System, Inc and controlled entities (collectively, the "System"), which comprise the consolidated balance sheet 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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits We conducted our audits in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the 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 West Virginia United Health System, Inc and controlled entities as of December 31, 2013 and 2012, and the results of their operations, changes in net assets, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Report on Supplementary Information

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

Parente Beard LLC

Pittsburgh, Pennsylvania
April 14, 2014

West Virginia United Health System, Inc. and Controlled Entities

Consolidated Balance Sheet
December 31, 2013 and 2012
(In Thousands)

	2013	2012
Assets		
Current Assets		
Cash and cash equivalents	$ 78,170	$ 69,247
Current portion of assets whose use is limited	18,861	16,703
Accounts receivable		
Patients, net of estimated allowance for doubtful accounts of $130,118 in 2013 and $96,358 in 2012	171,663	181,992
Other	12,201	17,830
Inventories of supplies	28,110	27,483
Prepaid expenses and other current assets	10,417	8,489
Total current assets	319,422	321,744
Assets Whose Use Is Limited		
Board-designated funds		
Funded depreciation	501,115	447,918
Debt repayment	176,281	145,750
Malpractice self-insurance	23,712	25,313
Under trust indenture, held by trustee	206,419	35,907
Malpractice self-insurance, held by trustee	25,604	14,506
Foundation investments	18,892	17,188
Noncurrent portion of assets whose use is limited	952,023	686,582
Property and Equipment, Net	823,741	868,633
Restricted Assets Held by Third-Parties	13,994	12,924
Deferred Financing Costs, Net	11,918	10,657
Other Assets, Net	54,269	37,591
Total assets	$ 2,175,367	$ 1,938,131

	2013	2012
Liabilities and Net Assets		
Current Liabilities		
Line of credit	$ 9,559	$ 14,031
Current maturities of long-term debt	21,960	20,842
Accounts payable and accrued expenses	79,906	69,666
Estimated third-party payor settlements	6,786	15,993
Salaries and benefits payable	67,986	66,271
Accrued interest payable	4,404	2,705
Current portion of estimated malpractice costs	11,398	11,672
Deferred revenue	798	602
Total current liabilities	202,797	201,782
Long-Term Debt	855,860	682,742
Noncurrent Portion of Estimated Malpractice Costs	42,356	39,509
Derivative Financial Instruments	35,977	62,043
Pension Liability	2,626	14,174
Other Long-Term Liabilities	3,504	2,020
Total liabilities	1,143,120	1,002,270
Net Assets		
Unrestricted	1,016,154	921,039
Temporarily restricted	9,828	9,073
Permanently restricted	6,265	5,749
Total net assets	1,032,247	935,861
Total liabilities and net assets	$ 2,175,367	$ 1,938,131

See notes to consolidated financial statements

West Virginia United Health System, Inc. and Controlled Entities

Consolidated Statement of Operations
Years Ended December 31, 2013 and 2012
(In Thousands)

	2013	2012
Unrestricted Revenues, Gains, and Other Support		
Patient service revenues (net of contractual allowances and discounts)	$ 1,474,918	$ 1,440,041
Provision for bad debts	(126,805)	(120,035)
Net patient service revenues	1,348,113	1,320,006
Other revenues	72,326	66,682
Total unrestricted revenues, gains, and other support	1,420,439	1,386,688
Expenses		
Supplies and purchased services	559,457	535,190
Salaries and wages	575,545	555,868
Employee benefits	138,893	129,785
Depreciation and amortization	99,230	96,413
Interest	31,484	32,729
Total expenses	1,404,609	1,349,985
Operating income	15,830	36,703
Other Income (Loss)		
Investment income	88,278	53,985
Change in fair value of derivative financial instruments	25,826	2,670
Asset impairment loss	(41,227)	-
Other, net	85	2,092
Revenues in excess of expenses	88,792	95,450
Pension Liability Adjustment	8,983	2,990
Transfers to the School of Medicine and Strategic Initiatives	(3,120)	(2,671)
Other	460	571
Increase in unrestricted net assets	$ 95,115	$ 96,340

See notes to consolidated financial statements

West Virginia United Health System, Inc. and Controlled Entities

Consolidated Statement of Changes in Net Assets
Years Ended December 31, 2013 and 2012
(In Thousands)

	2013	2012
Unrestricted Net Assets		
Revenues in excess of expenses	$ 88,792	$ 95,450
Pension liability adjustment	8,983	2,990
Transfers to the School of Medicine and Strategic Initiatives	(3,120)	(2,671)
Other	460	571
Increase in unrestricted net assets	95,115	96,340
Temporarily Restricted Net Assets		
Increase in temporarily restricted assets held by the West Virginia University Foundation	923	1,050
Contributions and grants	594	728
Change in value of split-interest agreements	14	73
Net assets released from restrictions	(776)	(891)
Increase in temporarily restricted net assets	755	960
Permanently Restricted Net Assets		
Valuation gain	472	358
Increase in permanently restricted assets held by the West Virginia University Foundation	44	37
Increase in permanently restricted net assets	516	395
Change in net assets	96,386	97,695
Net Assets, Beginning	935,861	838,166
Net Assets, Ending	$ 1,032,247	$ 935,861

See notes to consolidated financial statements

West Virginia United Health System, Inc. and Controlled Entities

Consolidated Statement of Cash Flows
Years Ended December 31, 2013 and 2012
(In Thousands)

	2013	2012
Cash Flows from Operating Activities		
Change in net assets	$ 96,386	$ 97,695
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Provision for doubtful collections	126,805	120,035
Depreciation and amortization	99,230	96,413
Change in fair value of derivative financial instruments	(26,066)	(2,910)
Net realized and unrealized (gains) losses on investments	(74,404)	(37,525)
Asset impairment loss	41,227	-
Pension liability adjustment	(8,983)	(2,990)
Other operating activities	10	(833)
Changes in assets and liabilities		
Patient accounts receivable	(116,476)	(129,074)
Other receivables	5,629	(725)
Inventories of supplies, prepaid expenses and other current assets	(2,555)	(977)
Accounts payable and accrued expenses	10,240	290
Estimated third-party payor settlements	(9,207)	683
Salaries and benefits payable	1,715	10,560
Estimated malpractice costs	2,573	3,417
Other liabilities	814	(2,108)
Net cash provided by operating activities	146,938	151,951
Cash Flows from Investing Activities		
(Purchases) sales of investments	(192,812)	7,384
Purchases of property and equipment	(96,696)	(96,071)
Increase in other assets	(17,649)	(10,300)
Proceeds from the sale of property and equipment	1,365	2,663
Net cash used in investing activities	(305,792)	(96,324)
Cash Flows from Financing Activities		
Proceeds from the issuance of long-term debt	207,039	240
Repayment of long-term debt	(32,892)	(33,319)
Net (repayment) proceeds from line of credit	(4,472)	8,100
Payment of financing costs	(1,898)	(412)
Net cash provided by (used in) financing activities	167,777	(25,391)
Increase in cash and cash equivalents	8,923	30,236
Cash and Cash Equivalents, Beginning	69,247	39,011
Cash and Cash Equivalents, Ending	$ 78,170	$ 69,247
Supplemental Disclosure of Cash Flow Information		
Interest paid, net of amounts capitalized	$ 27,012	$ 32,489
Supplemental Disclosure of Noncash Investing and Financing Activities		
Capital lease for purchase of property and equipment	$ -	$ 1,250

See notes to consolidated financial statements

1. Organizational Structure and Nature of Operations

West Virginia United Health System, Inc ("WVUHS") is a not-for-profit corporation formed to serve as part of an integrated health science and healthcare delivery system WVUHS serves as the parent corporation to an affiliated group of healthcare providing entities which includes West Virginia University Hospitals, Inc and controlled entities, United Hospital Center, Inc and controlled entities, Camden-Clark Health Services, Inc and controlled entities, Allied Health Services, Inc , United Physicians Care, Inc , and West Virginia United Insurance Services, Inc

West Virginia University (the "University") commenced operations of a tertiary care teaching hospital in 1960 as a component of the Medical Center of the University In 1984, the West Virginia legislature adopted legislation which authorized separation of the hospital operations from the University and establishment of a separate corporate entity At that time, West Virginia University Hospitals, Inc ("WVUH") was incorporated as a not-for-profit corporation to operate one or more hospitals in order to provide patient care, including specialized services not widely available in West Virginia, and to facilitate clinical education and research It currently operates Ruby Memorial Hospital, which is located in Morgantown, West Virginia Ruby Memorial Hospital serves as a major statewide and regional healthcare referral center and provides the principal clinical education and research site for the University

On January 1, 2005, WVUH became the sole member of West Virginia University Hospitals - East, Inc ("WVUH-East"), a not-for-profit corporation formed to serve as part of an integrated health science and healthcare delivery system WVUH-East serves as the parent corporation to an affiliated group of healthcare providing entities which includes City Hospital, Inc ("CHI"), City Hospital Foundation, Inc ("CHF"), The Charles Town General Hospital d/b/a Jefferson Memorial Hospital ("JMH") and Jefferson Health Care Foundation, Inc ("JHF")

In May 2013, a rebranding occurred resulting in numerous name changes WVUH-East d/b/a University Healthcare ("University Healthcare"), CHI d/b/a Berkeley Medical Center ("BMC"), and The Charles Town General Hospital d/b/a Jefferson Medical Center ("JMC") On January 1, 2014, the two foundations, CHF and JHF will became one unified entity JHF will be dissolved and merged into CHF d/b/a University Healthcare Foundation

BMC is a not-for-profit acute care hospital located in Martinsburg, West Virginia BMC provides inpatient, outpatient, and emergency care services for residents of the eastern panhandle of West Virginia and the surrounding communities

JMC is a not-for-profit acute care critical access hospital located in Ranson, West Virginia JMC provides inpatient, outpatient, and emergency care services to the residents of the eastern panhandle of West Virginia and the surrounding communities JMC was designated as a Critical Access Hospital ("CAH") by the Centers for Medicare and Medicaid Services effective December 15, 2005

CHF and JHF are not-for-profit corporations formed for the purpose of performing fund raising and other activities that benefit University Healthcare and its controlled entities

United Hospital Center, Inc ("UHC") is a not-for-profit acute care hospital located in Bridgeport, West Virginia UHC provides inpatient, outpatient, psychiatric, and skilled nursing services for residents of its primary service area, which includes Harrison County, West Virginia and north central West Virginia UHC is a major referral center in north central West Virginia's health care system UHC is the sole member of United Health Foundation, Inc ("UHF") and United Summit Center, Inc ("USC")

UHF is a not-for-profit corporation formed for the purpose of performing support activities, including fundraising, that primarily benefit UHC

USC is a not-for-profit corporation formed for the purpose of providing community mental health and related services to residents of Harrison, Braxton, Doddridge, Lewis, Gilmer, Preston, and Marion counties in West Virginia

On March 1, 2011, WVUHS became the sole member of Camden Clark Health Services, Inc ("CCHS"), a not-for-profit corporation formed to serve as part of an integrated health science and healthcare delivery system CCHS serves as the parent corporation to an affiliated group of healthcare providing entities which includes Camden Clark Medical Center ("CCMC"), Camden Clark Foundation ("CCF"), Camden Clark Physician Corporation ("CCPC"), and Family Fitness Center, LLC ("FFC")

CCMC is a not-for-profit acute care hospital located in Parkersburg, West Virginia CCMC provides inpatient, outpatient, and emergency services for the residents of Wood County and the surrounding communities

CCF is a not-for-profit corporation formed for the purpose of performing fundraising and other activities that benefit CCMC

CCPC is a not-for-profit corporation that operates several physician practices in Wood County

FFC is a single-member limited liability company that operates a fitness center in Wood County

Allied Health Services, Inc ("AHS") is a for-profit corporation engaged in the business of providing laboratory and laundry services

United Physicians Care, Inc ("UPC") is a not-for-profit corporation that operates several family practice clinics in north central West Virginia

West Virginia United Insurance Services, Inc ("WVUIS"), formerly HPN Services, Inc , is a for-profit corporation formed for the purposes of providing services to Health Partners Network, Inc , a physician-hospital organization, negotiating managed care contracts for WVUHS affiliates, and providing other property-casualty-accident and health insurance services for WVUHS affiliates

2. Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of WVUHS and its controlled entities, (collectively, the "System") All significant intercompany transactions and balances have been eliminated in consolidation

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid debt instruments purchased with a maturity of three months or less, excluding assets whose use is limited The fair value of cash and cash equivalents approximates cost The System typically maintains cash and cash equivalents in local banks Cash and cash equivalents on deposit in each local bank are insured up to $250,000 The System maintained deposits in excess of this coverage at December 31, 2013 and 2012

Assets Whose Use is Limited

Assets whose use is limited include assets set aside by the Board of Directors (the "Board") for future capital improvements, assets held for debt repayment, and assets held for malpractice self-insurance programs, over which the Board retains control and may, at its discretion, subsequently use for other purposes, assets held by trustees under debt agreements, assets held by trustees in connection with other malpractice self-insurance programs, and assets held by the foundations

Patient Accounts Receivable

Patient accounts receivable are reported at net realizable value Accounts are written off when they are determined to be uncollectible based upon management's assessment of individual accounts In evaluating the collectability of patient accounts receivable, the System analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts For receivables associated with services provided to patients who have third-party coverage the System analyzes contractual amounts due and provides an allowance for doubtful accounts and a provision for bad debts, if necessary For receivables associated with self-pay patients, which includes both patients without insurance and insured patients with deductible and copayment balances, 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 billed rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts

Inventories of Supplies

Inventories of supplies are recorded at the lower of cost or market Cost is determined on a first-in, first-out basis

Investments and Investment Risk

Investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at fair value Cash and cash equivalents are recorded at cost which approximates fair value Investments in hedge funds, private equity funds, and other limited partnerships representing less than 3% ownership are recorded at cost Investments representing greater than 3% ownership are accounted for under the equity method Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in revenues in excess of expenses unless the income or loss is restricted by donor or law

The System's investments are comprised of a variety of financial instruments and are managed by investment advisors The fair values reported in the consolidated balance sheet are subject to various risks including changes in the equity markets, the interest rate environment, and general economic conditions Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported in the accompanying consolidated financial statements could change materially in the near term

WVUH has an agreement with the West Virginia University Foundation, Inc ("WVU Foundation"), an affiliate of West Virginia University, to manage its board-designated funds Some of WVUH and WVU Foundation's investments are jointly managed in commingled funds The investment income and realized and unrealized gains and losses are allocated to WVUH based upon its relative ownership of each fund

Property and Equipment

Property and equipment acquisitions are recorded at cost Depreciation is provided over the estimated useful lives of the assets on a straight-line basis Such lives, in the opinion of management, are adequate to allocate asset costs over their productive lives Maintenance, repairs, and minor improvements are expensed as incurred Equipment under capital leases is amortized on the straight-line method over the shorter of the lease term or the estimated useful life of the equipment Depreciation expense, including amortization of equipment under capital leases, was $98,593,000 in 2013 and $95,749,000 in 2012

Interest costs incurred on borrowed funds, net of income earned, during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets Interest costs capitalized were $2,773,000 in 2013 and $2,000 in 2012

Gifts of long-lived assets such as land, buildings or equipment are recorded at fair value and reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service

Impairment of Property and Equipment

Property and equipment are evaluated for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition If expected cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets and reported in the non-operating section of the consolidated statement of operations

In 2013, CCMC assessed the recoverability of the carrying value of certain property and equipment related to the St Joseph's Campus, which resulted in an impairment loss of $41,227,000 The loss reflected the amounts by which the carrying values of these assets exceed their estimated fair values determined by their estimated future discounted cash flows There were no impairment losses recognized in 2012

Restricted Assets Held by Third Parties

WVU Foundation holds cash and securities which are available for WVUH's purposes, subject to donor restrictions Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose, primarily for capital expenditures Permanently restricted net assets have been restricted by donors to be maintained in perpetuity WVU Foundation releases assets from restriction and transfers the amounts to WVUH as amounts are expended according to the donor's intended purposes Amounts released from restriction are recorded as revenues or an increase in unrestricted net assets restricted for purchases of property and equipment

JMC is a beneficiary of several perpetual income trusts held by third parties JMC has an irrevocable right to receive its portion, designated by the trust agreements, of the income from the trusts' assets, which are held in perpetuity JMC has valued its portion of the trusts based on the pro-rata share of the fair value of the assets held in each trust, which represents a proxy for the present value of future cash flows Income received from the trusts, the use of which has not been restricted by the donors, is included in investment income in the accompanying statement of operations Valuation gains and losses are classified as increases or decreases in permanently restricted net assets

Deferred Financing Costs

Costs incurred in connection with the issuance of long-term debt have been deferred and are being amortized over the term of the debt using the straight-line method, which approximates the effective interest method Amortization of deferred financing costs was $637,000 in 2013 and $664,000 in 2012 In connection with debt refinancings, unamortized deferred financing costs of $759,000 were written off in 2012 and recorded as a loss on early extinguishment of debt

Other Investments

Other assets include the System's investment in several entities in which the System has a financial interest Where the System has the ability to influence management or has a twenty percent but not more than fifty percent interest in the entity, the investment is recorded using the equity method, and adjusted for the System's proportionate share of the entity's undistributed earnings or losses All other investments in such entities are recorded at cost

Goodwill

Goodwill represents the excess of the amount paid to acquire certain businesses over the fair value of the net assets purchased Goodwill of $19,963,000 at December 31, 2013 and $9,013,000 at December 31, 2012 is included in other assets in the consolidated balance sheet The System evaluates goodwill on an annual basis or more frequently if management believes indicators of impairment exist The System first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill If management concludes that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, management conducts a two-step quantitative goodwill impairment test The Company's evaluation of goodwill resulted in no impairment losses in 2013 and 2012

Estimated Malpractice Costs

The provision for estimated medical malpractice claims includes estimates of the ultimate gross costs for both reported claims and claims incurred but not reported Anticipated insurance recoveries, if any, associated with reported claims are recorded separately in the consolidated balance sheet at net realizable value

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

Revenues in Excess of Expenses

The consolidated statement of operations includes the determination of revenues in excess of expenses Changes in unrestricted net assets which are excluded from the determination of revenues in excess of expenses, consistent with industry practice, include permanent transfers of assets to and from affiliates for other than goods and services, contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets), and changes in net unrealized loss on derivative financial instruments designated as cash flow hedges prior to December 31, 2007

Net Patient Service Revenues

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments

Net patient service revenues are reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted, as necessary, in future periods as tentative and final settlements are received It is reasonably possible that the estimates used could change in the near term

For uninsured patients, the System recognizes revenues on the basis of its standard rates, discounted in accordance with the System's policy 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 of bad debts related to uninsured patients in the period the services are provided Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized in 2013 and 2012 from these major payor sources, are as follows (in thousands)

	2013			
	Third-Party Government Payors	Third-Party Commercial Payors	Self-Pay	Total
Patient service revenues (net of contractual allowances and discounts)	$ 776,493	$ 619,396	$ 79,029	$ 1,474,918

	2012			
	Third-Party Government Payors	Third-Party Commercial Payors	Self-Pay	Total
Patient service revenues (net of contractual allowances and discounts)	$ 787,854	$ 571,967	$ 80,220	$ 1,440,041

Capitation Payments

The System has agreements with various health maintenance organizations to provide medical services to subscribing participants Under these agreements, the System receives monthly capitation payments based on the number of participants, regardless of services actually performed

Charity Care

The System provides care to patients who meet certain criteria under its patient financial assistance policy without charge or at amounts less than its established rates Because the System does not pursue collections of amounts determined to qualify as charity care, they are not reported as patient service revenues The costs associated with the charity care services provided are estimated by applying a cost-to-charge ratio to the amount of gross uncompensated charges for the patients receiving charity care The level of charity care provided by the System was approximately $43,568,000 in 2013 and $44,109,000 in 2012

Contributions

Unconditional promises to give cash and other assets to the System are reported at fair value at the date the promise is received Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of operations

Lease Revenue

The System accounts for its real estate leasing activities as operating leases

Advertising Costs

Advertising costs are expensed as incurred

Federal and State Income Taxes

WVUHS, WVUH, CCMC, CCF, CCPC, University Healthcare, BMC, CHF, JMC, JHF, UHC, USC, UHF and UPC are tax-exempt organizations and not subject to federal or state income taxes in accordance with Section 501(c)(3) of the Internal Revenue Code On such basis, they will not incur any liability for income taxes, except for possible unrelated business income AHS, WVUIS and FFC are organizations subject to federal and/or state income taxes

The System accounts for uncertainty in income taxes using a recognition threshold of more-likely-than not to be sustained upon examination by the appropriate taxing authority Measurement of the tax uncertainty occurs if the recognition threshold is met Management determined there were no tax uncertainties that met the recognition threshold in 2013 and 2012 The System's policy is to recognize interest related to unrecognized tax benefits in interest expense and penalties in operating expenses

All required federal business income tax returns for the System have been filed up to, and including the tax year ended December 31, 2012 The System's federal income tax returns are no longer subject to examination by federal taxing authorities for years before 2010

Provider Tax

Effective June 1, 1993, the legislature of the State of West Virginia enacted a broad-based healthcare related tax This tax is based on net patient service revenues of each hospital at rates ranging from 0 175% to 5 500% of such revenues The System incurred $31,611,000 in 2013 and $32,852,000 in 2012 related to this tax

Subsequent Events

The System evaluated subsequent events for recognition or disclosure through April 14, 2014, the date the consolidated financial statements were available to be issued

Reclassifications

Certain reclassifications were made to the 2012 consolidated financial statements to conform with the 2013 presentation

3. Net Patient Service Revenues

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates A significant portion of the System's net patient service revenue is derived from these third-party payor programs A summary of the principal payment arrangements with major third-party payors follows

Medicare

Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates These rates vary according to patient classification systems that are based on clinical, diagnostic, and other factors The System is reimbursed for cost reimbursable expenditures at tentative interim rates, with final settlement determined after submission of annual cost reports by the System and audits hereof by the Medicare fiscal intermediary The System's Medicare cost reports have been settled by the Medicare fiscal intermediary through the respective years as follows

WVUH	2008
UHC	2009
BMC	2009
JMC	2008
CCMC	2010

Medicaid

Inpatient acute care services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors Outpatient services are paid on a published fee schedule

The State of West Virginia's disproportionate share plan reimburses hospitals in the state that provide Medicaid services and meet other eligibility criteria Under the disproportionate share program, the System received $13,306,000 in 2013 and $12,936,000 in 2012, which is included in patient service revenues in the consolidated statement of operations

The State of West Virginia increases Medicaid reimbursement to qualified public safety net hospitals for services to Medicaid-eligible patients Supplemental payments may be received in an amount up to the difference between current reimbursement and the maximum permissible payments under Upper Payment Limit ("UPL") regulations The first payment was made in April 2004 and periodic payments have been made subsequent to that date The UPL payments are recorded in the period in which they are earned The System recorded UPL payments of $34,661,000 in 2013 and $37,688,000 in 2012, which is included in patient service revenues in the consolidated statement of operations

The laws and regulations governing the UPL program are complex and subject to interpretation The UPL program is funded by a portion of the Provider Tax (Note 2) There is risk that Congress may change federal policy in the future in a way that might limit or eliminate the UPL payments but maintain the Provider Tax Furthermore, the UPL payments received are subject to review and retroactive adjustment Management is unable to estimate the amount of any such adjustments at this time

Health Care Authority

The Health Care Authority ("HCA") is empowered, by provisions of the West Virginia Code, to regulate the Hospital's gross patient revenue from non-governmental payors and to evaluate financial performance This is accomplished by issuing rate orders based on the Hospital's budgets and rate schedules and evaluating performance and compliance based on reports submitted by the Hospital on a periodic basis Addition and deletion of services and the execution of non-governmental discount contracts are also subject to HCA approval

The System has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations The basis for payment to the System under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates

Revenues received under third-party arrangements are subject to audit and retroactive adjustment The System has included in net patient service revenues favorable adjustments of $10,519,000 in 2013 and $11,694,000 in 2012 related to its estimates of the ultimate settlement under these third-party arrangements

4. Meaningful Use

The Health Information Technology for Economic and Clinic Health ("HITECH") portion of the American Recovery and Reinvestment Act of 2009 included incentive payments under the Medicare and Medicaid programs for certain healthcare providers to use certified electronic health records ("EHR") technology in ways that can positively impact patient care In order to be eligible for EHR incentive funding, eligible hospitals and professionals must use a certified EHR, report quality measures, and demonstrate meaningful use as defined by HITECH

The System is entitled to receive Medicare and Medicaid incentive payments for the adoption of certified EHR technology as the individual hospitals have satisfied the statutory and regulatory requirements As such, the System recognized incentives of approximately $11,324,000 in 2013 and $8,661,000 in 2012 and included such amounts in other revenues in the consolidated statement of operations Income from incentive payments is subject to retrospective adjustment as the incentive payments are calculated using Medicare cost report data that is subject to audit Additionally, the System's compliance with the meaningful use criteria is subject to audit by the federal government

5. Assets Whose Use is Limited

The composition of assets whose use is limited at December 31, 2013 and 2012 is as follows (in thousands)

	2013	2012
Cash and cash equivalents	$ 120,854	$ 63,117
U S government and agency obligations	171,425	54,899
Marketable equity securities	189,270	147,153
Marketable debt securities	81,326	87,811
Mutual funds		
Domestic equity	93,516	75,165
Domestic fixed income	64,111	57,679
International equity	98,575	55,100
Global bonds	23,409	24,535
Alternative investments - cost	128,398	137,826
Total assets whose use is limited	970,884	703,285
Less current portion of assets whose use is limited	18,861	16,703
Noncurrent portion of assets whose use is limited	$ 952,023	$ 686,582

Unrestricted investment income, gains, and losses are comprised of the following in 2013 and 2012 (in thousands)

	2013	2012
Investment income (loss)		
Interest and dividend income	$ 18,510	$ 21,421
Fees	(4,636)	(4,961)
Net realized gains on sales of securities	22,044	7,157
Change in net unrealized gains and losses on investments other than trading securities	52,838	32,102
Write-downs of the cost basis of investments due to an other-than-temporary decline in fair value	(478)	(1,734)
Total	$ 88,278	$ 53,985

6. Fair Value Measurements and Financial Instruments

The System measures its assets whose use is limited, restricted assets held by third-parties and derivative financial instruments on a recurring basis in accordance with accounting principles generally accepted in the United States Fair value is defined as 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 The framework that the authoritative guidance establishes for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value The hierarchy prioritizes the inputs used in determining valuations into three levels The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement

The levels of the fair value hierarchy are as follows

Level 1 - Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities These generally provide the most reliable evidence and are used to measure fair value whenever available

Level 2 - Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the same term of the asset or liability through corroboration with observable market data Level 2 inputs include quoted market prices in active markets for similar assets, quoted market prices in markets that are not active for identical or similar assets, and other observable inputs

Level 3 - Fair value is based on significant unobservable inputs Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows, and other similar techniques

The fair value of financial instruments listed below was determined using the following valuation hierarchy at December 31, 2013 and 2012 (in thousands)

	2013				
	Carrying Value	Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Assets – recurring fair value measurements:					
Assets whose use is limited					
Cash and cash equivalents	$ 120,854	$ 120,854	$ 120,854	$ -	$ -
U S government and agency obligations	171,425	171,425	-	171,425	-
Marketable equity securities	189,270	189,270	189,270	-	-
Marketable debt securities	81,326	81,326	-	81,326	-
Mutual funds					
Domestic equity	93,516	93,516	72,241	21,275	-
Domestic fixed income	64,111	64,111	64,111	-	-
International equity	98,575	98,575	98,575	-	-
Global bonds	23,409	23,409	4,075	19,334	-
Total assets whose use is limited	$ 842,486	842,486	549,126	293,360	-
Restricted assets held by third-parties	$ 13,994	$ 13,994	$ 13,705	$ 289	$ -
Liabilities – recurring fair value measurements:					
Derivative financial instruments	$ 35,977	$ 35,977	$ -	$ 35,977	$ -
Assets disclosed at fair value:					
Cash and cash equivalents	$ 78,170	$ 78,170	$ 78,170	$ -	$ -
Liabilities disclosed at fair value:					
Long-term debt	$ 877,820	$ 892,539	$ -	$ 628,096	$ 264,443

	2012				
	Carrying Value	Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Assets – recurring fair value measurements:					
Assets whose use is limited					
Cash and cash equivalents	$ 63,117	$ 63,117	$ 63,117	$ -	$ -
U S government and agency obligations	54,899	54,899	-	54,899	-
Marketable equity securities	147,153	147,153	147,153	-	-
Marketable debt securities	87,811	87,811	-	87,811	-
Mutual funds					
Domestic equity	75,165	75,165	58,933	16,232	-
Domestic fixed income	57,679	57,679	57,679	-	-
International equity	55,100	55,100	55,100	-	-
Global bonds	24,535	24,535	3,770	20,765	-
Total assets whose use is limited	$ 565,459	$ 565,459	$ 385,752	$ 179,707	$ -
Restricted assets held by third-parties	$ 12,924	$ 12,924	$ 11,953	$ 971	$ -
Liabilities – recurring fair value measurements:					
Derivative financial instruments	$ 62,043	$ 62,043	$ -	$ 62,043	$ -
Assets disclosed at fair value:					
Cash and cash equivalents	$ 69,247	$ 69,247	$ 69,247	$ -	$ -
Liabilities disclosed at fair value:					
Long-term debt	$ 703,584	$ 726,976	$ -	$ 451,043	$ 275,933

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value and for financial instruments disclosed at fair value There have been no changes in methodologies used at December 31, 2013 and 2012

Cash and cash equivalents The carrying amounts approximate fair value because of the short maturity of these financial instruments

U S government and agency obligations Valued based on spreads of published interest rate curves

Marketable equity securities Valued at the closing price reported on the active market on which the individual securities are traded

Marketable debt securities Valued based on spreads of published interest rate curves

Mutual funds Mutual funds include investments in individual mutual funds and commingled funds (fund of funds) The individual mutual funds are valued at the net asset value of shares (basis for trade) held by the System at year end and are rendered Level 1 The commingled funds are not traded on national exchanges or over-the counter markets The System is provided a net asset value per share for these alternative investments that has been calculated in accordance with investment company rules, which among other requirements indicates that the underlying investments be measured at fair value, and are rendered Level 2 There are no unfunded commitments or significant redemption provisions related to the System's commingled funds

Restricted assets held by third-parties Assets consist primarily of cash and cash equivalents and mutual funds

Long-term debt Valued based on current rates offered for similar issues with similar securities terms and maturities, or estimated using a discount rate that a market participant would demand

Derivative financial instruments Valued based on proprietary models of an independent third party valuation specialist The fair value takes into consideration the prevailing interest rate environment and the specific terms and conditions of the derivative financial instruments and was estimated using the zero-coupon discounting method This method calculates the future payments required by the derivative financial instruments, assuming that the current forward rates implied by the yield curve are the market's best estimate of future spot interest rates These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement payment on the derivative financial instruments The value represents the estimated exit price the System would pay to terminate the agreements The change in fair value of derivative financial instruments and change in net unrealized gains and losses on investments is included in revenues in excess of expenses

The preceding methods described may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values Furthermore, although the System believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date

7. Property and Equipment

Property and equipment and related accumulated depreciation consist of the following at December 31, 2013 and 2012 (in thousands)

	2013	2012
Land and land improvements	$ 63,194	$ 62,978
Buildings and building improvements	635,470	688,444
Equipment (including equipment under capital lease)	774,610	787,911
Leasehold improvements	10,575	7,242
Total	1,483,849	1,546,575
Less accumulated depreciation	699,814	698,715
	784,035	847,860
Construction in progress	39,706	20,773
Property and equipment, net	$ 823,741	$ 868,633

Construction in progress as of December 31, 2013 consists primarily of major renovation and expansion projects Purchase commitments related to these and other miscellaneous projects were approximately $18,112,000 at December 31, 2013

8. Revolving Line of Credit

WVUHS maintains an unsecured revolving line of credit in the amount of $30,000,000 There were borrowings outstanding of $9,559,000 at December 31, 2013 and $14,031,000 at December 31, 2012 Borrowings under the agreement bear interest at 1 10% per annum

9. Long-Term Debt

A summary of long-term debt at December 31, 2013 and 2012 is as follows (in thousands)

	2013	2012
West Virginia Hospital Finance Authority Bonds		
2013 Series – WVUH, CCMC	$ 210,675	$ -
2012 Series – WVUH, UHC, CCMC, BMC, JMC, CHF	173,415	178,000
2011 Series – WVUH, CCMC, BMC	72,955	76,024
2009 Series – WVUH, UHC, BMC	103,405	103,405
2008 Series – WVUH, UHC	78,930	79,760
2007 Series – CCMC	22,755	23,370
2006 Series – UHC	78,610	78,610
2004 Series – CCMC	67,050	81,020
2003 Series – WVUH	59,350	63,600
Other notes payable	16,581	20,453
Capital lease obligations	1,493	1,455
Total long-term debt	885,219	705,697
Net unamortized bond discount	(7,399)	(2,113)
Current maturities of long-term debt	(21,960)	(20,842)
Long-term debt	$ 855,860	$ 682,742

The scheduled principal repayments as of December 31, 2013 are as follows (in thousands)

Years ending December 31	
2014	$ 21,960
2015	20,536
2016	20,167
2017	19,145
2018	19,877
Thereafter	783,534
Total	$ 885,219

Obligated Group

The Obligated Group consists of WVUH, UHC, CCMC, BMC, JMC, and CHF All members of the Obligated Group are jointly and severally liable for all outstanding obligations of the Obligated Group Payments of principal and interest are collateralized by a pledge of revenues of the Obligated Group

The Obligated Group is required to maintain certain financial ratios, maintain adequate insurance coverage, maintain net revenue requirements, maintain average annual debt service requirements, comply with certain limitations on additional debt, and comply with annual reporting requirements

2013 Series - Hospital Revenue Refunding and Improvement Bonds

In September 2013, the West Virginia Hospital Finance Authority (the "Authority") issued $210,675,000 of Hospital Revenue Refunding and Improvement Bonds (the "2013 Bonds") on behalf of the Obligated Group The proceeds of the 2013 Bonds were used to refund Series 2004A Bonds, reimburse the costs of various capital improvements and equipment for WVUH and CCMC, and pay for the costs of issuance

The 2013 Bonds include fixed rate serial bonds of $10,675,000 maturing in 2014 through 2019 with interest rates ranging from 3 000% to 5 000%, and fixed rate term bonds of $200,000,000 maturing in 2038 and 2044 with interest rates ranging from 5 375% to 5 500%

2012 Series - Hospital Refunding Bonds

In August 2012 and October 2012, the Authority issued $178,000,000 of Hospital Refunding Bonds (the "2012 Bonds") on behalf of the Obligated Group The proceeds of the 2012 Bonds were used to refund Series 2008A, 2008D, 2009A, 2009B and 2011A Bonds, reimburse the costs of various capital improvements and equipment for WVUH, CCMC and BMC, and pay for the costs of issuance

The 2012 Bonds include variable rate bonds of $173,415,000 maturing in 2030 through 2041 with interest rates ranging from 0 97% to 5 00% at December 31, 2013

2011 Series - Hospital Revenue and Hospital Refunding Bonds

In March 2011 and June 2011, the Authority issued $144,865,000 of Hospital Revenue and Hospital Refunding Bonds (the "2011 Bonds") on behalf of the Obligated Group The proceeds of the 2011 Bonds were used to finance the acquisition of St Joseph's Memorial Hospital, refund Series 1998 Bonds, reimburse the costs of various capital improvements and equipment for WVUH, CCMC and BMC, and pay for the costs of issuance

The 2011 Bonds include fixed rate bonds of $39,462,000 maturing in 2022 and 2026 with interest rates ranging from 3 12% to 3 54%, and fixed rate bonds of $33,493,000 maturing in 2021 and 2041 with fixed rates ranging from 4 00% to 4 95% through 2016, followed by variable rates through maturity dates

2009 Series - Hospital Revenue Refunding and Improvement Bonds

In February 2009 and December 2009, the Authority issued $171,380,000 of tax-exempt Hospital Revenue Refunding and Improvement Bonds (the "2009 Bonds") on behalf of the Obligated Group The proceeds of the 2009 Bonds were used to refund Series 2003C and 2008C Bonds, reimburse the costs of various capital improvements and equipment for WVUH, BMC and JMC, and pay for the costs of issuance

The 2009 Bonds include fixed rate serial bonds of $103,405,000 maturing in 2039 with interest rates ranging from 4 00% to 5 50%

2008 Series - Hospital Refunding Revenue Bonds

In August 2008 and September 2008, the Authority issued $216,180,000 of tax-exempt Hospital Refunding Revenue Bonds (the "2008 Bonds") on behalf of the Obligated Group The proceeds of the 2008 Bonds were used to refund Series 2006B, 2006C, and 2006D auction rate certificates, refund Series 2005 Bonds, fund a debt service reserve fund for Series 2008E Bonds, and pay for the costs of issuance

The 2008 Bonds include daily variable rate demand bonds of $43,775,000 maturing in 2041 with an interest rate of 0 04% at December 31, 2013, and fixed rate serial bonds of $35,155,000 maturing in 2035 with interest rates ranging from 5 375% to 5 625% The 2008 Bonds are secured by a bank letter of credit agreement that will provide financing in an amount necessary to purchase a portion of the 2008 Bonds if not remarketed The bank letter of credit expires in March 2015

2007 Series - Hospital Auction Rate Certificates Improvement Revenue Bonds

In September 2007, the Authority issued $24,600,000 of Hospital Auction Rate Certificates Improvement Revenue Bonds (the "2007 Bonds") on behalf of CCMC The proceeds of the 2007 Bonds were used to refund a bank loan, finance the costs of acquisition of certain equipment including capitalized interest thereon, fund a debt service reserve fund, and pay for the costs of issuance

In October 2009, a supplemental master trust indenture amended and restated the 2007 Bonds This amendment and restatement converted the terms and provisions of the auction rate certificates to fixed rate bonds

In conjunction with the affiliation with WVUHS on March 1, 2011, the 2007 Bonds were amended to include CCMC within the Obligated Group The 2007 Bonds include fixed rate bonds of $22,755,000 maturing in 2034 with an interest rate of 2 50% The 2007 Bonds are insured by Assured Guaranty

2006 Series - Hospital Revenue Bonds

In June 2006, the Authority issued $231,635,000 of tax-exempt Hospital Revenue Bonds (the "2006 Bonds") on behalf of the Obligated Group The proceeds of the 2006 Bonds were used to finance the acquisition, construction, and equipping of a new hospital facility for UHC, pay interest on the 2006 Bonds for a specified period of time, and pay for the costs of issuance

The 2006 Bonds include serial bonds of $10,005,000 maturing in 2015 through 2020 with interest rates ranging from 4 00% to 5 00%, and term bonds of $68,605,000 maturing in 2022 through 2041 with interest rates ranging from 4 50% to 5 25% The 2006 Bonds are insured by Ambac Assurance Corporation

2004 Series - Hospital Revenue Refunding and Improvement Bonds

In June 2004, the Authority issued $96,250,000 of Hospital Revenue Refunding and Improvement Bonds (the "2004 Bonds") on behalf of CCMC The proceeds of the 2004 Bonds were used to refund all of the Wood County Building Commission Revenue Bonds, finance the costs of acquisition of certain equipment including capitalized interest thereon, fund a debt service reserve fund, and pay for the costs of issuance

In conjunction with the affiliation with WVUHS on March 1, 2011, the 2004 bonds were amended to include CCMC within the Obligated Group The 2004 Bonds include auction rate certificates of $51,850,000 and $15,200,000 maturing in 2034 with interest payable based upon 35-day auction periods The 2004 Bonds are insured by AGM (formerly known as Financial Security Assurance Inc)

2003 Series - Hospital Revenue Refunding and Improvement Bonds

In August 2003, the Authority issued $139,730,000 of tax-exempt Hospital Revenue Refunding and Improvement Bonds (the "2003 Bonds") on behalf of the Obligated Group The proceeds of the 2003 Bonds were used to finance and reimburse the costs of various capital improvements and equipment for WVUH, redeem Series 1993 and Series 2002 Bonds, establish a debt service reserve fund, and pay for the costs of issuance

The 2003 Bonds include auction rate certificates of $13,600,000 maturing in 2016 with interest payable based upon 35-day auction periods, and fixed rate bonds of $45,750,000 maturing in 2033 with interest rates ranging from 5 375% to 5 500% The 2003 Bonds are insured by AGM (formerly known as Financial Security Assurance Inc)

The interest rates for the 2004 and 2003 Bonds are subject to auction rate certificates with 35-day auction periods Interest rates as determined by these auctions are subject to various risks including changes in the credit markets, re-marketing mechanisms, and the potential for failed auctions The default interest rate for the 2004 and 2003 Bonds is based upon a formulaic maximum rate which approximates 4 21% to 4 44%

Other Notes Payable and Capital Lease Obligations

In September 2013, the System obtained a $50,000,000 draw-down term loan (the "2013 Term Loan") from BB&T to finance and reimburse the costs of various capital improvements and equipment for WVUH and pay for the costs related to the loan Interest only payments are made monthly with the outstanding principal due on September 30, 2028 The loan bears interest at a variable rate equal to one-month LIBOR plus 1 15% (1 315% at December 31, 2013) WVUH has drawn down approximately $1,113,000 as of December 31, 2013

Other notes payable and capital leases consist of bank loan agreements and capital leases that are secured by equipment and property with various expiration dates and require monthly principal and interest payments

10. Derivative Financial Instruments

The System's primary objective for holding derivative financial instruments is to manage interest rate risk The derivative financial instruments are recorded at fair value, which is the amount that the System would pay to terminate the respective agreements, based upon information supplied by an independent third party valuation specialist

The System follows accounting guidance on derivative financial instruments that is based on whether the derivative instrument meets the criteria for designation as cash flow or fair value hedges The criteria for designating a derivative as a hedge include the assessment of the instrument's effectiveness in risk reduction, matching of the derivative instrument to its underlying transaction, and the assessment of the probability that the underlying transaction will occur All of the System's derivative financial instruments are interest rate swap agreements without hedge accounting designation The System does not utilize interest rate swap agreements or other financial instruments for trading or other speculative purposes

Prior to January 1, 2008, certain swap agreements had been designated as cash flow hedges of variable-rate debt with no hedge ineffectiveness, therefore, changes in the fair value of the swap agreements were recorded as changes in unrestricted net assets Under the cash flow hedge accounting methodology, the gains or losses recorded as changes in unrestricted net assets were to be reclassified into revenues in excess of expenses upon the sale or termination of the swap agreement Subsequent authoritative guidance related to the accounting for cash flow hedges that are not based on a benchmark interest rate stipulated that interest rates, which are reset through an auction (remarketing) process, do not qualify as a benchmark rate and therefore the swap agreement that previously qualified for hedge accounting no longer qualified At that time, the System began amortizing the accumulated changes in fair value of the swap agreements to income over the remaining term of the agreements

In 2003, the System entered into two interest rate swap agreements (the "2003 Agreements") in connection with the 2003 Bonds The first agreement has a notional value of $13,600,000 and terminates on June 1, 2016 The second agreement, which has transferred to the 2012 Bonds, has a notional value of $44,650,000 and terminates on June 1, 2033 The 2003 Agreements require the System to pay a fixed rate while receiving variable interest rates based upon 70% of LIBOR The fair value of the 2003 Agreements was $8,344,000 at December 31, 2013 and $14,140,000 at December 31, 2012

In 2004, CCHS entered into an interest rate swap agreement (the "2004 Agreement") in connection with the 2004 Bonds In conjunction with the affiliation with WVUHS on March 1, 2011, the swap agreement was amended to include the Obligated Group The 2004 Agreement has a notional value of $51,850,000 and terminates on February 15, 2034 The 2004 Agreement requires the System to pay a fixed rate while receiving a variable interest rate based upon 67% of LIBOR The fair value of the 2004 Agreement was $8,910,000 at December 31, 2013 and $15,271,000 at December 31, 2012

In 2005, the System entered into an interest rate swap agreement (the "2005 Agreement") in connection with the 2005 Bonds The 2005 Agreement, which has transferred to the 2012 Bonds, has a notional value of $17,525,000 and terminates on June 1, 2030 The 2005 Agreement requires the System to pay a fixed rate while receiving a variable interest rate of 70% of LIBOR The fair value of the 2005 Agreement was $1,785,000 at December 31, 2013 and $3,299,000 at December 31, 2012

In 2006, the System entered into two interest rate swap agreements (the "2006 Agreements") in connection with the 2006 Bonds The first agreement, which has transferred to 2012 Bonds, has a notional value of $34,825,000 and terminates on June 1, 2041 The second agreement has a notional value of $43,525,000 and terminates on June 1, 2041 The 2006 Agreements require the System to pay a fixed rate while receiving variable interest rates based upon 70% of LIBOR The fair value of the 2006 Agreements was $13,475,000 at December 31, 2013 and $23,500,000 at December 31, 2012

In 2007, CCHS entered into an interest rate swap agreement (the "2007 Agreement") in connection with the 2007 Bonds In conjunction with the affiliation with WVUHS on March 1, 2011, the swap agreement was amended to include the Obligated Group The 2007 Agreement has a notional value of $22,625,000 and terminates on February 15, 2034 The 2007 Agreement requires the System to pay a fixed rate while receiving a variable interest rate based upon 67% of LIBOR The fair value of the 2007 Agreement was $3,463,000 at December 31, 2013 and $5,833,000 at December 31, 2012

The System recognizes gains and losses from changes in fair values of interest rate swap agreements as non-operating revenue or expense within revenues in excess of expenses in the consolidated statement of operations The net cash paid or received under the swap agreements is recognized as an adjustment to interest expense No termination payments would be required if the swap agreements are held to maturity

Entering into interest rate swap agreements involves, to varying degrees, elements of credit, default, prepayment, market and documentation risk Such risks involve the possibility that there will be no liquid market for these agreements, the counterparty to these agreements may default on its obligation to perform and there may be unfavorable changes in interest rates The notional amounts of the swap agreements are used to measure the interest to be paid or received and do not represent the amount of exposure to credit loss Exposure to credit loss is limited to the receivable amount, if any, which may be generated as a result of the swap agreements Management believes that losses related to credit risk are remote

11. Pension Plans

WVUH and University Healthcare provide various defined contribution plans which cover substantially all full-time employees Employees are eligible to contribute, and WVUH and University Healthcare will match a percentage of their base compensation up to a limit depending on the employee's years of service Both employee and employer contributions are 100% vested upon entry into the plan for WVUH Employee contributions are 100% vested upon entry into the plan and employer contributions are vested over a five year period for the University Healthcare plan

Approximately 2% of WVUH's employees continue to be paid by the State of West Virginia Those employees also participate in a defined contribution pension plan for state employees WVUH reimburses the state for all costs of these employees, including salaries and wages, pension expense, and other related fringe benefits

UHC and UPC provide defined contribution pension plans covering substantially all employees Contributions to the plan are based on a variable percentage, ranging from 2 75% to 9 75% of the participating employees' compensation Current policy is to fund the amount accrued for pension costs

UHC and UPC provide Tax Sheltered Annuity Thrift Plans (the "TSA Plans"), which are deferred compensation plans under Section 403(b) of the Internal Revenue Code All full-time employees are eligible to participate in the TSA Plans All employee elective deferrals made on behalf of such participants shall be invested in a tax deferred annuity contract or custodial account at the employee's direction and vest immediately UHC and UPC do not contribute to the TSA Plans

CCMC provides a defined contribution plan covering substantially all employees Employees are eligible to contribute, and CCMC makes matching contributions to the plan based on a variable percentage, ranging from 2% to 6% of the participating employees' compensation Employee contributions are 100% vested upon entry into the plan and employer contributions are vested over a three year period

The System's expense related to these plans was $14,699,000 in 2013 and $13,974,000 in 2012

CCMC maintains a noncontributory defined benefit pension plan (the "Plan") that covers substantially all of its employees who were employed on or before June 30, 2012, at which time the Plan was frozen Accrued benefits were also frozen as of that date

The following table sets forth the change in benefit obligation, the fair value of plan assets, and the amounts recognized in the consolidated balance sheet at December 31, 2013 and 2012

	2013	2012
Change in projected benefit obligation		
Projected benefit obligation, beginning of year	$ 44,503,246	$ 45,499,751
Service cost	-	840,945
Interest cost	1,743,367	1,878,155
Actuarial (gain) loss	(5,284,586)	4,728,178
Benefits paid	(615,138)	(3,118,783)
Settlement	(3,135,700)	-
Curtailment	-	(5,325,000)
Projected benefit obligation, end of year	37,211,189	44,503,246
Change in plan assets		
Fair value of plan assets, beginning of year	$ 30,329,576	$ 26,709,344
Actual return on plan assets (net of expense)	4,766,729	3,499,015
Employer contributions	3,240,000	3,240,000
Benefits paid	(615,138)	(3,118,783)
Settlement	(3,135,700)	-
Fair value of plan assets, end of year	34,585,467	30,329,576
Funded status at end of year	$ (2,625,722)	$ (14,173,670)
Accumulated benefit obligation	$ 37,211,189	$ 44,503,246

The following table sets forth the components of net periodic costs in 2013 and 2012

	2013	2012
Service cost	$ -	$ 840,945
Interest cost	1,743,367	1,878,155
Expected return on plan assets	(2,207,572)	(2,013,863)
Amortization of actuarial loss	381,000	908,465
Settlement charge	718,356	-
Net periodic pension cost	$ 635,151	$ 1,613,702

A net actuarial loss of $8,524,000 represents the unrecognized component of net periodic pension cost included in unrestricted net assets at December 31, 2013

Estimated amortization of net loss of $131,225 is expected to be recognized in net periodic pension cost in the next fiscal year

The following assumptions were used to determine benefit obligations at December 31, 2013 and 2012

	2013	2012
Discount rate	4 81 %	3 87 %
Rate of compensation increase	- %	4 00 %

The weighted-average assumptions used in the measurement of net periodic benefit cost for the years ended December 31, 2013 and 2012 are as follows

	2013	2012
Discount rate	3 87 %	4 32 %
Rate of compensation increase	- %	4 00 %
Expected long-term return on plan assets	7 00 %	7 00 %

The basis for determining the overall expected long-term rate of return on assets has been based on the assumption that future real returns will approximate historic long-term rates of return experienced for each asset class in the investment policy statement Based on this analysis, it was determined that the long-term rate of return should be consistently applied

When determining an appropriate risk tolerance, CCMC examines the financial ability to accept risk within the investment program and its willingness to accept return volatility Based on these factors, CCMC established a range of investment percentages, by asset type, to which the mix of assets should be generally maintained When necessary, CCMC will rebalance its investment portfolio within its target allocation

Actual allocation and targeted percentages as of December 31, 2013 and 2012 are as follows

	Actual Percentage		Targeted Percentage	
	2013	2012	2013	2012
Cash and cash equivalents	1 %	1 %	- %	- %
Mutual funds, fixed income	51	35	52	35
Mutual funds, equity	48	64	48	65

The following table summarizes the Plan's assets measured at fair value on a recurring basis at December 31, 2013 and 2012

	2013		2012	
	Quoted Prices in Active Markets (Level 1)	Fair Value	Quoted Prices in Active Markets (Level 1)	Fair Value
Cash and cash equivalents	$ 153,414	$ 153,414	$ 109,823	$ 109,823
Mutual funds, fixed income	17,642,563	17,642,563	10,742,999	10,742,999
Mutual funds, equity				
Domestic funds	10,266,424	10,266,424	6,736,799	6,736,799
International funds	6,523,066	6,523,066	12,739,955	12,739,955
Total	$ 34,585,467	34,585,467	30,329,576	30,329,576

At December 31, 2013 and 2012, the Plan did not have any assets or liabilities whose fair value were measured using Level 2 or Level 3 inputs

The Plan's investments in mutual funds and money market funds are valued at the quoted net asset value of shares held by the Plan at year-end There have been no changes in the methodologies used at December 31, 2013 and 2012

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values Furthermore, although CCMC believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date

CCMC expects to contribute $3,240,000 to the Plan in 2014

Future benefit payments by the Plan, reflective of expected future services, are expected to be paid as follows

Years ending December 31	
2014	$ 933,000
2015	1,028,000
2016	1,328,000
2017	1,258,000
2018	1,584,000
2019 - 2023	10,390,000

12. Net Assets

Temporarily and permanently restricted net assets consist of funds restricted for the following purposes at December 31, 2013 and 2012 (in thousands)

	2013	2012
Temporarily restricted		
Pediatric care	$ 5,836	$ 5,408
Purchases of property and equipment	1,992	1,705
Various healthcare related activities	1,304	1,252
Other	696	708
Total	$ 9,828	$ 9,073
Permanently restricted		
Endowment funds – income expendable to support various healthcare services and purchase equipment	$ 690	$ 646
Perpetual income trusts – income expendable to support charity care and other healthcare services	5,575	5,103
Total	$ 6,265	$ 5,749

The System released temporarily restricted net assets of $232,000 in 2013 and $256,000 in 2012 for the purchase of property and equipment and $544,000 in 2013 and $635,000 in 2012 for operations since the donors' restrictions to purchase certain property and equipment and to provide certain services had been met

13. Medical Malpractice Claims Coverage

The System entities maintain various self-insurance programs for medical malpractice insurance and general liability insurance These programs require the System entities to deposit funds either into trust funds or other investment accounts, based upon actuarial calculations, sufficient to cover estimated claims

The System entities operate four separate self-insurance programs These cover WVUH, UHC and its subsidiaries plus UPC, University Healthcare, and CCMC respectively Medical malpractice and general liability claims are managed by WVUHS and the System entities legal staff WVUHS and the Systems entities legal staff utilize specialized experts and outside attorneys where such expertise is considered needed

The self-insurance programs for all four are funded on an occurrence basis and include coverage for both hospital, with the exception of CCMC, and employed physician general and professional liability In certain cases, specific prior acts periods are included where operating units had claims-made coverage for all or some portion of their exposures at earlier points

WVUHS maintains a master excess coverage on a claims-made basis with a prior acts date of August 1, 2007 that provides limits of eighty percent of $20 million of limit per claim on a shared limit basis, with an attachment point of $15 million any one claim and $30 million in the annual aggregate This coverage applies to WVUH, UHC and its subsidiaries and University Healthcare only The WVUHS master excess policy is with a mutual insurance company and includes a shared savings account The shared savings account is used to buffer results volatility and is returnable in whole or part to an insured several years after they leave the mutual insurance company

The self-insurance program for CCMC is also funded on an occurrence basis CCMC maintains a separate excess coverage on a claims-made basis with a limit of $10 million and an attachment of $1 million for general liability and $5 million for professional liability with prior acts coverage for certain periods of time at varying policy limits and at attachment points that generally increase over time CCPC maintains separate professional liability coverage for its employed physicians on a claims-made basis with individual limits of liability of $1 million per claim and $3 million annual aggregate

The System's estimated future payments of its asserted and unasserted general and medical malpractice claims liabilities under their self-insurance programs were $53,754,000 at December 31, 2013 and $51,181,000 at December 31, 2012 These estimates are based upon actuarially determined estimates of the ultimate costs for known reported claims and claims incurred but not reported under the self-insurance programs The discount rate used in determining the liabilities was 3 5% at December 31, 2013 and 2012

The System believes it has adequate self-insurance and insurance coverages and accruals for all asserted claims and it has no knowledge of unasserted claims which would exceed its self-insurance and insurance coverages and accruals

14. Workers' Compensation Claims Coverage

The System maintains insurance policies with a stated per occurrence deductible and a stated deductible aggregate for workers' compensation claims The policies provide statutory workers' compensation limits of liability The System was required to establish loss funds and provide letters of credit to secure the deductible obligations The letters of credit total $5,485,000 and are automatically renewed by the bank every July 1st unless notified 90 days prior to the renewal date

15. Health Insurance Benefits

The System self-insures its employee health insurance coverages and accrues the estimated costs of incurred and reported and incurred but not reported claims, after consideration of its individual and aggregate stop-loss insurance coverages, based upon data provided by the third-party administrators of the programs and its historical claims experience

16. Related-Party Transactions

WVUH has an agreement with the University to provide a minimum of $4,000,000 per year in educational expenses for the University's interns and residents and an annual clinical teaching subsidy of not less than $6,000,000 WVUH also pays the University for other expenses such as state employee salaries, certain utilities, and rents Total payments made to the University, including $20,678,000 in 2013 and 2012 related to WVUH's contribution of UPL payments, were $53,950,000 in 2013 and $64,524,000 in 2012, and are included in supplies and purchased services in the consolidated statement of operations

During 2010, WVUH entered into a Joint Operating Agreement (the "2010 Agreement") with West Virginia University Medical Corporation d/b/a University Health Associates ("UHA") and the University in order to further integrate their mission and purpose, management, clinical activities, and economic and financial activities WVUH and UHA will function as a single strategic and economic unit to be known as WVU Healthcare, while retaining their separate corporate identities For the twelve months beginning July 1, 2010, the 2010 Agreement required a pro rata allocation of the variance between the operating margin and the budgeted operating margin between UHA and WVUH In subsequent years, the 2010 Agreement requires equalization of the operating margin The allocations resulted in payments to UHA of $43,748,000 in 2013 and $29,420,000 in 2012, and are included in supplies and purchased services in the consolidated statement of operations The total amount payable to UHA was $3,726,000 at December 31, 2013 and $4,705,000 at December 31, 2012

The 2010 Agreement requires a transfer of 50% of the excess operating margin of WVU Healthcare between 3 0% and 3 5% and 100% of the excess operating margin greater than 3 5%, capped at $2,500,000, to the University's School of Medicine The transfer from WVUH to the University's School of Medicine was $1,695,000 in 2013 and $2,398,000 in 2012, and is included in transfers to the school of medicine and strategic initiatives in the consolidated statement of changes in net assets The total amount payable to the School of Medicine was $1,968,000 at December 31, 2013 and $2,133,000 at December 31, 2012

WVUH performs certain information technology and other services on behalf of UHA These services amounted to $5,042,000 in 2013 and $6,102,000 in 2012 The total amount receivable from UHA related to these services was $418,000 at December 31, 2013 and $555,000 at December 31, 2012

UHA provides various medical director services and other medical service support to WVUH The total expenses for these services were $2,870,000 in 2013 and $7,303,000 in 2012, and are included in supplies and purchased services in the consolidated statement of operations

Effective January 1, 2013, University Healthcare entered into a Joint Operating Agreement (the "2013 Agreement") with University Healthcare Physicians ("UHP") The 2013 Agreement ensures UHP operating losses are funded by University Healthcare on a monthly basis Break even operations are calculated on a monthly basis for UHP and any losses are recorded by BMC and JMC as mission support Total mission support was $8,730,000 in 2013, and is included in supplies and purchased services in the consolidated statement of operations

WVUH, Charleston Area Medical Center, and Cabell Huntington Hospital are members of HealthNet, Inc ("HNET"), an aeromedical transport service company Each member's ownership percentage is 33 1/3% HNET is a West Virginia nonprofit corporation, which the Internal Revenue Service has determined is recognized as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code HNET's members are required to support HNET to the extent that expenses exceed revenues HNET revenues exceeded expenses by $179,000 in 2013 and $1,167,000 in 2012 The excess is distributed to its members during the following fiscal year WVUH did not receive distributions in 2013 WVUH received distributions of $181,000 in 2012 HNET also reimbursed WVUH for operating expenses incurred on its behalf amounting to $2,881,000 in 2013 and $5,232,000 in 2012

17. Operating Leases

The System leases certain equipment and office buildings under the terms of non-cancellable operating leases The following is a schedule of future minimum lease payments under operating leases as of December 31, 2013, that have initial or remaining lease terms in excess of one year (in thousands)

Years ending December 31	
2014	$ 7,446
2015	6,630
2016	6,201
2017	5,970
2018	4,961
Thereafter	3,502
Total	$ 34,710

Rental expense for all operating leases was $7,865,000 in 2013 and $5,623,000 in 2012

18. Concentrations of Credit Risk

The System grants credit without collateral to its patients, most of who are local residents and are insured under third-party payor agreements, primarily with Medicare, Medicaid, and various commercial insurance companies The System maintains allowances for potential credit losses and such losses have historically been within management's expectations

The mix of receivables at December 31, 2013 and 2012 from patients and third-party payors is as follows

	2013	2012
Medicare	24 %	22 %
Medicaid	8	10
Blue Cross	22	17
Commercial/HMO/Other	32	35
Patients	14	16
Total	100 %	100 %

19. Commitments and Contingencies

Commitments

On April 1, 1988, WVUH and UHA, which owns and operates a Physician Office Center adjacent to WVUH's facilities, entered into an Operating Credit Agreement To finance the Physician Office Center, the Authority issued $23,500,000 of tax-exempt Hospital Revenue Bonds The Operating Credit Agreement requires WVUH "to loan or otherwise make funds available to UHA to the extent that the revenues of UHA are not sufficient to pay the operating expenses thereof during the period following completion of the Physician Office Center until the payment of the bonds in full" The remaining debt of $8,815,000 was refinanced on June 30, 2011 with WVUH entering into a Guaranty Agreement as the Obligated Group Agent To date, WVUH has not been required to advance any funds on behalf of UHA relating to the Operating Credit Agreement The outstanding balance of the Hospital Revenue Bonds at December 31, 2013 was $6,065,000

WVUH has commitments for the additional purchase of ownership in limited partnerships of $35,551,000 at December 31, 2013, over the next ten years

CCMC has license agreements through 2020 for a new healthcare information system The expected cost of the information system is $26,410,000 At December 31, 2013, $16,279,000 has been paid and CCMC is committed for an additional $10,131,000

Healthcare Industry

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments Compliance with these laws and regulations is subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for patient services previously billed Management is not aware of any material incidents of noncompliance that have not been provided for in the accompanying consolidated financial statements, however, the possible future financial effects of this matter on the System, if any, are not presently determinable

Asbestos

Certain facilities owned by the System, which were constructed prior to the passage of the Clean Air Act, contain encapsulated asbestos material Current law requires that this asbestos be removed in an environmentally safe fashion prior to the demolition and renovation of these buildings At this time, the System has plans to dispose of a facility which contains this asbestos material, however the fair value of the liability for such asbestos removal is not a material amount and has not been recognized in the accompanying consolidated financial statements The fair value of the liability for such asbestos removal related to the other facilities (those which the System does not have plans to dispose or renovate) cannot be reasonably estimated at this time Once these plans are finalized and information becomes available to estimate such a liability, it will be recognized at that time

Disproportionate Share Hospital State Plan

The State of West Virginia Disproportionate Share Hospital State Plan was amended to provide for a settlement process among participating hospitals The state has not completed a settlement process for the years subsequent to 1996 The Bureau for Medical Services of the State of West Virginia Department of Health and Human Resources has contracted with a third-party vendor to assist with the audit settlement process for the Disproportionate Share Hospital ("DSH") State Plan The laws and regulations governing the DSH settlement process are complex, involving statistical data from all participating hospitals, and subject to interpretation Accordingly, the System is not able to estimate the possible loss or gain that could arise upon completion of the DSH settlement process The results of the resolution of the settlement process could materially impact the System's future results of operations or cash flows in a particular period

20. Functional Expenses

The System provides general health care and related services to individuals within its geographic region Expenses related to providing these services in 2013 and 2012 are as follows (in thousands)

	2013	2012
Healthcare and other related services	$ 1,122,803	$ 1,071,192
General and administrative	280,706	277,677
Fundraising	1,100	1,116
Total	$ 1,404,609	$ 1,349,985

West Virginia United Health System, Inc. and Controlled Entities

Consolidating Schedule of Balance Sheet Information
December 31, 2013
(In Thousands)

	West Virginia University Hospital	United Hospital Center	Camden Clark Medical Center	Berkeley Medical Center	Jefferson Medical Center	City Foundation	Eliminations	Total Obligated Group	Non-Obligated Group	Eliminations	Total Consolidated
Assets											
Current Assets											
Cash and cash equivalents	$ 12,623	$ 39,977	$ 3,422	$ 6,049	$ 5,133	$ 814	$ -	$ 68,018	$ 10,152	$ -	$ 78,170
Current portion of assets whose use is limited	6,527	8,204	2,780	1,057	293	-	-	18,861	-	-	18,861
Accounts receivable											
Patients, net	81,018	31,334	26,693	20,642	6,454	-	-	166,141	5,522	-	171,663
Other	6,586	894	609	1,902	503	67	-	10,561	1,640	-	12,201
Affiliates	8,722	780	8,102	2,005	300	18	(4,109)	15,818	5,674	(21,492)	-
Inventories of supplies	14,239	3,493	8,024	1,605	480	-	-	27,841	269	-	28,110
Prepaid expenses and other current assets	2,333	2,922	3,201	912	30	76	-	9,474	943	-	10,417
Total current assets	132,048	87,604	52,831	34,172	13,193	975	(4,109)	316,714	24,200	(21,492)	319,422
Assets Whose Use Is Limited											
Board-designated funds											
Funded depreciation	255,020	134,618	68,781	14,042	10,005	14,532	-	496,998	4,117	-	501,115
Debt repayment	176,281	-	-	-	-	-	-	176,281	-	-	176,281
Malpractice self-insurance	23,712	-	-	-	-	-	-	23,712	-	-	23,712
Under trust indenture, held by trustee	153,083	9,923	43,375	25	11	2	-	206,419	-	-	206,419
Malpractice self-insurance, held by trustee	-	13,783	7,070	3,306	1,445	-	-	25,604	-	-	25,604
Foundation investments	7,931	-	-	-	-	-	-	7,931	10,961	-	18,892
Noncurrent portion of assets whose use is limited	616,027	158,324	119,226	17,373	11,461	14,534	-	936,945	15,078	-	952,023
Property and Equipment, Net	250,277	306,014	164,574	53,341	17,370	11,110	-	802,686	21,055	-	823,741
Restricted Assets Held by Third-Parties	8,358	-	-	368	6,022	60	(368)	14,440	-	(446)	13,994
Deferred Financing Costs, Net	5,055	2,042	4,519	255	34	9	-	11,914	4	-	11,918
Due from Affiliates	8,393	790	-	-	-	-	-	9,183	-	(9,183)	-
Other Assets, Net	27,583	2,617	11,375	4,746	164	737	-	47,222	7,805	(758)	54,269
Total assets	$ 1,047,741	$ 557,391	$ 352,525	$ 110,255	$ 48,244	$ 27,425	$ (4,477)	$ 2,139,104	$ 68,142	$ (31,879)	$ 2,175,367

West Virginia United Health System, Inc. and Controlled Entities

Consolidating Schedule of Balance Sheet Information
December 31, 2013
(In Thousands)

	West Virginia University Hospital	United Hospital Center	Camden Clark Medical Center	Berkeley Medical Center	Jefferson Medical Center	City Foundation	Eliminations	Total Obligated Group	Non-Obligated Group	Eliminations	Total Consolidated
Liabilities and Net Assets											
Current Liabilities											
Line of credit	$ -	$ -	$ 9,559	$ -	$ -	$ -	$ -	$ 9,559	$ -	$ -	$ 9,559
Current maturities of long-term debt	6,686	7,585	4,662	1,625	736	102	-	21,396	564	-	21,960
Accounts payable and accrued expenses	35,624	7,544	20,294	8,095	2,308	19	-	73,884	6,022	-	79,906
Due to affiliates	1,618	635	2,195	3,713	1,202	420	(4,109)	5,674	15,818	(21,492)	-
Estimated third-party payor settlements	7,950	(1,339)	(128)	(221)	375	-	-	6,637	149	-	6,786
Salaries and benefits payable	34,833	11,534	7,658	7,928	2,187	11	-	64,151	3,835	-	67,986
Accrued interest payable	1,330	646	1,096	716	487	126	-	4,401	3	-	4,404
Current portion of estimated malpractice costs	6,167	3,124	600	1,057	293	-	-	11,241	157	-	11,398
Deferred revenue	566	150	-	-	9	4	-	729	69	-	798
Total current liabilities	94,774	29,879	45,936	22,913	7,597	682	(4,109)	197,672	26,617	(21,492)	202,797
Long-Term Debt	341,963	228,184	216,751	50,696	11,091	2,165	-	850,850	5,010	-	855,860
Noncurrent Portion of Estimated Malpractice Costs	22,422	7,204	7,961	3,147	897	-	-	41,631	725	-	42,356
Derivative Financial Instruments	8,344	13,475	12,373	1,564	221	-	-	35,977	-	-	35,977
Due to Affiliates	-	-	-	-	-	-	-	-	9,183	(9,183)	-
Pension Liability	-	-	2,626	-	-	-		2,626	-	-	2,626
Other Long-Term Liabilities	1,342	305	1,163	-	-	75	-	2,885	619	-	3,504
Total liabilities	468,845	279,047	286,810	78,320	19,806	2,922	(4,109)	1,131,641	42,154	(30,675)	1,143,120
Net Assets											
Unrestricted	570,538	278,344	65,715	31,567	22,417	24,128	-	992,709	24,203	(758)	1,016,154
Temporarily restricted	7,780	-	-	368	446	375	(368)	8,601	1,673	(446)	9,828
Permanently restricted	578	-	-	-	5,575	-	-	6,153	112	-	6,265
Total net assets	578,896	278,344	65,715	31,935	28,438	24,503	(368)	1,007,463	25,988	(1,204)	1,032,247
Total liabilities and net assets	$ 1,047,741	$ 557,391	$ 352,525	$ 110,255	$ 48,244	$ 27,425	$ (4,477)	$ 2,139,104	$ 68,142	$ (31,879)	$ 2,175,367

West Virginia United Health System, Inc. and Controlled Entities

Consolidating Schedule of Operations
Year Ended December 31, 2013
(In Thousands)

	West Virginia University Hospital	United Hospital Center	Camden Clark Medical Center	Berkeley Medical Center	Jefferson Medical Center	City Foundation	Eliminations	Total Obligated Group	Non-Obligated Group	Eliminations	Total Consolidated
Unrestricted Revenues, Gains, and Other Support											
Patient service revenues (net of contractual allowances and discounts)	$ 709,234	$ 267,718	$ 240,211	$ 166,128	$ 51,901	$ -	$ (449)	$ 1,434,743	$ 40,240	$ (65)	$ 1,474,918
Provision for bad debts	(42,036)	(32,513)	(22,201)	(21,057)	(6,693)	-	-	(124,500)	(2,305)	-	(126,805)
Net patient service revenues	667,198	235,205	218,010	145,071	45,208	-	(449)	1,310,243	37,935	(65)	1,348,113
Other revenues	36,498	10,398	10,223	5,817	1,764	1,587	(684)	65,603	41,208	(34,485)	72,326
Total unrestricted revenues, gains, and other support	703,696	245,603	228,233	150,888	46,972	1,587	(1,133)	1,375,846	79,143	(34,550)	1,420,439
Expenses											
Supplies and purchased services	287,741	83,408	110,060	59,424	17,977	599	(1,133)	558,076	24,796	(23,415)	559,457
Salaries and wages	271,009	93,808	87,588	60,758	20,084	402	-	533,649	48,957	(7,061)	575,545
Employee benefits	63,043	27,295	18,074	15,214	4,967	98	-	128,691	12,036	(1,834)	138,893
Depreciation and amortization	42,187	22,838	19,631	8,900	2,767	707	-	97,030	4,146	(1,946)	99,230
Interest	8,801	10,658	7,899	3,477	604	102	-	31,541	571	(628)	31,484
Total expenses	672,781	238,007	243,252	147,773	46,399	1,908	(1,133)	1,348,987	90,506	(34,884)	1,404,609
Operating income (loss)	30,915	7,596	(15,019)	3,115	573	(321)	-	26,859	(11,363)	334	15,830
Other Income (Loss)											
Investment income	63,347	12,428	5,992	748	1,535	3,152	-	87,202	1,410	(334)	88,278
Change in fair value of derivative financial instruments	5,565	10,025	8,731	1,319	186	-	-	25,826	-	-	25,826
Asset impairment loss	-	-	(41,227)	-	-	-	-	(41,227)	-	-	(41,227)
Other, net	30	246	204	(149)	(321)	-	-	10	75	-	85
Revenues in excess of (less than) expenses	99,857	30,295	(41,319)	5,033	1,973	2,831	-	98,670	(9,878)	-	88,792
Pension Liability Adjustment	-	-	8,983	-	-	-	-	8,983	-	-	8,983
Transfers to the School of Medicine and Strategic Initiatives	(3,120)	-	-	-	-	-	-	(3,120)	-	-	(3,120)
Other	1,035	-	(787)	253	52	(64)	-	489	-	(29)	460
Transfers from (to) Affiliates	(591)	(1,702)	10,559	(1,312)	(650)	-	-	6,304	(6,364)	60	-
Increase (decrease) in unrestricted net assets	$ 97,181	$ 28,593	$ (22,564)	$ 3,974	$ 1,375	$ 2,767	$ -	$ 111,326	$ (16,242)	$ 31	$ 95,115

West Virginia United Health System, Inc. and Controlled Entities

Consolidating Schedule of Changes in Net Assets
Year Ended December 31, 2013
(In Thousands)

	West Virginia University Hospital	United Hospital Center	Camden Clark Medical Center	Berkeley Medical Center	Jefferson Medical Center	City Foundation	Eliminations	Total Obligated Group	Non-Obligated Group	Eliminations	Total Consolidated
Unrestricted Net Assets											
Revenues in excess of (less than) expenses	$ 99,857	$ 30,295	$ (41,319)	$ 5,033	$ 1,973	$ 2,831	$ -	$ 98,670	$ (9,878)	$ -	$ 88,792
Pension liability adjustment	-	-	8,983	-	-	-	-	8,983	-	-	8,983
Transfers to the School of Medicine	(3,120)	-	-	-	-	-	-	(3,120)	-	-	(3,120)
Other	1,035	-	(787)	253	52	(64)	-	489	-	(29)	460
Transfers from (to) affiliates	(591)	(1,702)	10,559	(1,312)	(650)	-	-	6,304	(6,364)	60	-
Increase (decrease) in unrestricted net assets	97,181	28,593	(22,564)	3,974	1,375	2,767	-	111,326	(16,242)	31	95,115
Temporarily Restricted Net Assets											
Increase in temporarily restricted assets held by WVU Foundation	923	-	-	-	-	-	-	923	-	-	923
Contributions and grants	-	-	-	-	-	148	-	148	446	-	594
Change in value of split-interest agreements	-	-	-	-	-	-	-	-	14	-	14
Increase in temporarily restricted assets held by affiliated foundation	-	-	-	(105)	20	-	105	20	-	(20)	-
Net assets released from restrictions	-	-	-	-	-	(253)	-	(253)	(523)	-	(776)
Increase (decrease) in temporarily restricted net assets	923	-	-	(105)	20	(105)	105	838	(63)	(20)	755
Permanently Restricted Net Assets											
Valuation gain	-	-	-	-	472	-	-	472	-	-	472
Increase in permanently restricted assets held by WVU Foundation	44	-	-	-	-	-	-	44	-	-	44
Increase in permanently restricted net assets	44	-	-	-	472	-	-	516	-	-	516
Change in net assets	98,148	28,593	(22,564)	3,869	1,867	2,662	105	112,680	(16,305)	11	96,386
Net Assets, Beginning	480,748	249,751	88,279	28,066	26,571	21,841	(473)	894,783	42,293	(1,215)	935,861
Net Assets, Ending	$ 578,896	$ 278,344	$ 65,715	$ 31,935	$ 28,438	$ 24,503	$ (368)	$ 1,007,463	$ 25,988	$ (1,204)	$ 1,032,247

West Virginia United Health System, Inc. and Controlled Entities

Consolidating Schedule of Balance Sheet Information
December 31, 2012
(In Thousands)

	West Virginia University Hospital	United Hospital Center	Camden Clark Medical Center	Berkeley Medical Center	Jefferson Medical Center	City Foundation	Eliminations	Total Obligated Group	Non-Obligated Group	Eliminations	Total Consolidated
Assets											
Current Assets											
Cash and cash equivalents	$ 7,892	$ 32,758	$ 3,718	$ 7,008	$ 6,454	$ 800	$ -	$ 58,630	$ 10,617	$ -	$ 69,247
Current portion of assets whose use is limited	6,399	6,544	2,853	585	322	-	-	16,703	-	-	16,703
Accounts receivable											
Patients, net	82,548	29,671	38,134	18,928	5,839	-	-	175,120	6,872	-	181,992
Other	12,550	1,598	800	1,270	357	24	-	16,599	1,231	-	17,830
Affiliates	8,452	1,971	-	2,315	397	100	(5,054)	8,181	5,193	(13,374)	-
Inventories of supplies	14,447	3,279	7,151	1,687	476	-	-	27,040	443	-	27,483
Prepaid expenses and other current assets	2,248	2,612	1,692	845	55	75	-	7,527	962	-	8,489
Total current assets	134,536	78,433	54,348	32,638	13,900	999	(5,054)	309,800	25,318	(13,374)	321,744
Assets Whose Use is Limited											
Board-designated funds											
Funded depreciation	217,074	123,743	68,994	14,029	8,883	11,421	-	444,144	3,774	-	447,918
Debt repayment	145,750	-	-	-	-	-	-	145,750	-	-	145,750
Malpractice self-insurance	20,599	-	4,714	-	-	-	-	25,313	-	-	25,313
Under trust indenture, held by trustee	13,798	11,021	10,134	4	8	2	-	34,967	940	-	35,907
Malpractice self-insurance, held by trustee	-	11,433	-	2,552	521	-	-	14,506	-	-	14,506
Foundation investments	8,029	-	-	-	-	-	-	8,029	9,159	-	17,188
Noncurrent portion of assets whose use is limited	405,250	146,197	83,842	16,585	9,412	11,423	-	672,709	13,873	-	686,582
Property and Equipment, Net	223,449	320,040	216,354	54,964	17,758	11,706	-	844,271	24,362	-	868,633
Restricted Assets Held by Third-Parties	7,391	-	-	473	5,529	61	(473)	12,981	369	(426)	12,924
Deferred Financing Costs, Net	3,776	2,117	4,450	268	36	10	-	10,657	-	-	10,657
Due from Affiliates	10,926	2,544	-	-	-	-	-	13,470	-	(13,470)	-
Other Assets, Net	12,920	2,421	919	3,249	557	813	-	20,879	17,501	(789)	37,591
Total assets	$ 798,248	$ 551,752	$ 359,913	$ 108,177	$ 47,192	$ 25,012	$ (5,527)	$ 1,884,767	$ 81,423	$ (28,059)	$ 1,938,131

West Virginia United Health System, Inc. and Controlled Entities

Consolidating Schedule of Balance Sheet Information
December 31, 2012
(In Thousands)

	West Virginia University Hospital	United Hospital Center	Camden Clark Medical Center	Berkeley Medical Center	Jefferson Medical Center	City Foundation	Eliminations	Total Obligated Group	Non-Obligated Group	Eliminations	Total Consolidated
Liabilities and Net Assets											
Current Liabilities											
Line of credit	$ -	$ -	$ 14,031	$ -	$ -	$ -	$ -	$ 14,031	$ -	$ -	$ 14,031
Current maturities of long-term debt	6,499	7,400	3,577	1,404	648	83	-	19,611	1,231	-	20,842
Accounts payable and accrued expenses	34,888	10,950	10,609	6,142	2,203	62	-	64,854	4,812	-	69,666
Due to affiliates	1,295	696	1,442	4,646	1,624	605	(5,054)	5,254	8,120	(13,374)	-
Estimated third-party payor settlements	8,939	1,700	3,458	946	804	-	-	15,847	146	-	15,993
Salaries and benefits payable	32,708	10,741	9,448	7,641	2,205	-	-	62,743	3,528	-	66,271
Accrued interest payable	566	638	1,026	74	318	78	-	2,700	5	-	2,705
Current portion of estimated malpractice costs	5,961	3,688	675	585	322	-	-	11,231	441	-	11,672
Deferred revenue	393	89	-	-	9	-	-	491	111	-	602
Total current liabilities	91,249	35,902	44,266	21,438	8,133	828	(5,054)	196,762	18,394	(13,374)	201,782
Long-Term Debt	189,059	235,729	185,751	52,261	11,464	2,267	-	676,531	6,211	-	682,742
Noncurrent Portion of Estimated Malpractice Costs	21,859	6,615	6,339	3,521	616	-	-	38,950	559	-	39,509
Derivative Financial Instruments	14,140	23,500	21,104	2,891	408	-	-	62,043	-	-	62,043
Due to Affiliates	-	-	-	-	-	-	-	-	13,470	(13,470)	-
Pension Liability	-	-	14,174	-	-	-		14,174	-	-	14,174
Other Long-Term Liabilities	1,193	255	-	-	-	76	-	1,524	496	-	2,020
Total liabilities	317,500	302,001	271,634	80,111	20,621	3,171	(5,054)	989,984	39,130	(26,844)	1,002,270
Net Assets											
Unrestricted	473,357	249,751	88,279	27,593	21,042	21,361	-	881,383	40,445	(789)	921,039
Temporarily restricted	6,857	-	-	473	426	480	(473)	7,763	1,736	(426)	9,073
Permanently restricted	534	-	-	-	5,103	-	-	5,637	112	-	5,749
Total net assets	480,748	249,751	88,279	28,066	26,571	21,841	(473)	894,783	42,293	(1,215)	935,861
Total liabilities and net assets	$ 798,248	$ 551,752	$ 359,913	$ 108,177	$ 47,192	$ 25,012	$ (5,527)	$ 1,884,767	$ 81,423	$ (28,059)	$ 1,938,131

West Virginia United Health System, Inc. and Controlled Entities

Consolidating Schedule of Operations
Year Ended December 31, 2012
(In Thousands)

	West Virginia University Hospital	United Hospital Center	Camden Clark Medical Center	Berkeley Medical Center	Jefferson Medical Center	City Foundation	Eliminations	Total Obligated Group	Non-Obligated Group	Eliminations	Total Consolidated
Unrestricted Revenues, Gains, and Other Support											
Patient service revenues (net of contractual allowances and discounts)	$ 683,012	$ 256,778	$ 242,117	$ 153,095	$ 51,052	$ -	$ (397)	$ 1,385,657	$ 54,446	$ (62)	$ 1,440,041
Provision for bad debts	(42,645)	(30,974)	(18,701)	(17,450)	(7,313)	-	-	(117,083)	(2,952)	-	(120,035)
Net patient service revenues	640,367	225,804	223,416	135,645	43,739	-	(397)	1,268,574	51,494	(62)	1,320,006
Other revenues	39,158	11,617	5,181	3,513	528	1,371	(481)	60,887	35,375	(29,580)	66,682
Total unrestricted revenues, gains, and other support	679,525	237,421	228,597	139,158	44,267	1,371	(878)	1,329,461	86,869	(29,642)	1,386,688
Expenses											
Supplies and purchased services	274,082	79,557	104,082	51,946	13,593	617	(878)	522,999	32,749	(20,558)	535,190
Salaries and wages	258,620	89,726	86,479	57,981	20,233	336	-	513,375	48,506	(6,013)	555,868
Employee benefits	59,148	25,462	16,845	13,431	4,265	101	-	119,252	12,683	(2,150)	129,785
Depreciation and amortization	41,772	22,887	18,751	7,759	2,659	596	-	94,424	2,701	(712)	96,413
Interest	9,334	11,074	8,631	2,798	642	109	-	32,588	599	(458)	32,729
Total expenses	642,956	228,706	234,788	133,915	41,392	1,759	(878)	1,282,638	97,238	(29,891)	1,349,985
Operating income (loss)	36,569	8,715	(6,191)	5,243	2,875	(388)	-	46,823	(10,369)	249	36,703
Other Income (Loss)											
Investment income	33,425	10,846	5,261	1,492	825	1,346	-	53,195	1,039	(249)	53,985
Change in fair value of derivative financial instruments	376	1,700	539	48	7	-		2,670	-	-	2,670
Other, net	74	3,332	305	(919)	(183)	303	-	2,912	(820)	-	2,092
Revenues in excess of (less than) expenses	70,444	24,593	(86)	5,864	3,524	1,261	-	105,600	(10,150)	-	95,450
Pension Liability Adjustment	-	-	2,990	-	-	-	-	2,990	-	-	2,990
Transfers to the School of Medicine and Strategic Initiatives	(2,671)	-	-	-	-	-	-	(2,671)	-	-	(2,671)
Other	391	-	402	264	99	-	-	1,156	(585)	-	571
Transfers from (to) Affiliates	(429)	(1,835)	(13,063)	(5,616)	23	-	-	(20,920)	20,920	-	-
Increase (decrease) in unrestricted net assets	$ 67,735	$ 22,758	$ (9,757)	$ 512	$ 3,646	$ 1,261	$ -	$ 86,155	$ 10,185	$ -	$ 96,340

West Virginia United Health System, Inc. and Controlled Entities

Consolidating Schedule of Changes in Net Assets
Year Ended December 31, 2012
(In Thousands)

	West Virginia University Hospital	United Hospital Center	Camden Clark Medical Center	Berkeley Medical Center	Jefferson Medical Center	City Foundation	Eliminations	Total Obligated Group	Non-Obligated Group	Eliminations	Total Consolidated
Unrestricted Net Assets											
Revenues in excess of (less than) expenses	$ 70,444	$ 24,593	$ (86)	$ 5,864	$ 3,524	$ 1,261	$ -	$ 105,600	$ (10,150)	$ -	$ 95,450
Pension liability adjustment	-	-	2,990	-	-	-	-	2,990	-	-	2,990
Transfers to the School of Medicine	(2,671)	-	-	-	-	-	-	(2,671)	-	-	(2,671)
Other	391	-	402	264	99	-	-	1,156	(585)	-	571
Transfers from (to) affiliates	(429)	(1,835)	(13,063)	(5,616)	23	-	-	(20,920)	20,920	-	-
Increase (decrease) in unrestricted net assets	67,735	22,758	(9,757)	512	3,646	1,261	-	86,155	10,185	-	96,340
Temporarily Restricted Net Assets											
Increase in temporarily restricted assets held by WVU Foundation	1,050	-	-	-	-	-	-	1,050	-	-	1,050
Contributions and grants	-	-	-	-	-	177	-	177	551	-	728
Change in value of split-interest agreements	-	-	-	-	-	1	-	1	72	-	73
Increase in temporarily restricted assets held by affiliated foundation	-	-	-	(89)	-	-	89	-	-	-	-
Net assets released from restrictions	-	-	-	-	-	(256)	-	(256)	(635)	-	(891)
Increase (decrease) in temporarily restricted net assets	1,050	-	-	(89)	-	(78)	89	972	(12)	-	960
Permanently Restricted Net Assets											
Valuation gain	-	-	-	-	358	-	-	358	-	-	358
Increase in permanently restricted assets held by WVU Foundation	37	-	-	-	-	-	-	37	-	-	37
Increase in permanently restricted net assets	37	-	-	-	358	-	-	395	-	-	395
Change in net assets	68,822	22,758	(9,757)	423	4,004	1,183	89	87,522	10,173	-	97,695
Net Assets, Beginning	411,926	226,993	98,036	27,643	22,567	20,658	(562)	807,261	32,120	(1,215)	838,166
Net Assets, Ending	$ 480,748	$ 249,751	$ 88,279	$ 28,066	$ 26,571	$ 21,841	$ (473)	$ 894,783	$ 42,293	$ (1,215)	$ 935,861