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Part IIIS

Statement of Program Service Accomplishments

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

☐ Yes☒ No

1

Briefly describe the organization's mission

BAXTER REGIONAL MEDICAL CENTER'S MISSION IS TO PROVIDE EXCELLENCE IN MEDICAL CARE FOR EVERY PATIENT, EVERY TIME SEE SCHEDULE O FOR FULL MISSION STATEMENT

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 \$ 150,468,650 including grants of \$ 10,685) (Revenue \$ 158,621,393)

BAXTER REGIONAL MEDICAL CENTER OFFERS THIRTY-THREE SPECIALIZED SERVICES TO THE COMMUNITIES SERVED IN THE TWIN LAKES AREA SEE SCHEDULE O FOR 2013 SERVICES

4b

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

4c

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

4d





















Other program services (Describe in Schedule O)

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

4e

Total program service expenses 150,468,650

Part IV Checklist of Required Schedules

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

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
22	Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	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? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27	Yes	
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? 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.	132	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	Yes
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	2a	1,674
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).		2b	Yes
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?		3a	No
b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.		3b	
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a	No
b If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a	No
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b	No
c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		5c	
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a	No
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b	
7 Organizations that may receive deductible contributions under section 170(c).			
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		7a	No
b If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c	No
d If "Yes," indicate the number of Forms 8282 filed during the year.		7d	
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e	No
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f	No
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g	
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h	
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8	
9 Sponsoring organizations maintaining donor advised funds.			
a Did the organization make any taxable distributions under section 4966?		9a	
b Did the organization make a distribution to a donor, donor advisor, or related person?		9b	
10 Section 501(c)(7) organizations. Enter			
a Initiation fees and capital contributions included on Part VIII, line 12.		10a	
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		10b	
11 Section 501(c)(12) organizations. Enter			
a Gross income from members or shareholders.		11a	
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		11b	
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		12a	
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		12b	
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		13a	
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.		13b	
c Enter the amount of reserves on hand.		13c	
14a Did the organization receive any payments for indoor tanning services during the tax year?		14a	No
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		14b	

Part VI

Governance, Management, and Disclosure

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	11	
	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	9	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	Yes
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	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	Yes
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	No

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. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)
19	Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶IVAN HOLLEMAN624 HOSPITAL DRIVE MOUNTAIN HOME,AR 72653 (870) 508-1000

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) ROSALYN BLAGG BOARD VICE CHAIRMAN	5 0	X		X				0	0	0
(2) CLARK FLETCHER SECRETARY	5 0	X		X				0	0	0
(3) TED SANDERS BOARD CHAIRMAN	5 0	X		X				0	0	0
(4) STEVE LUELF DIRECTOR	5 0	X						0	0	0
(5) MARY WREN DIRECTOR	5 0	X						0	0	0
(6) TOM SCHMUECKER DIRECTOR	5 0	X						0	0	0
(7) SALLY GILBERT TREASURER	5 0	X		X				0	0	0
(8) STEVE WILBER DIRECTOR	5 0	X						0	0	0
(9) SAMMY SMITH DIRECTOR	5 0	X						0	0	0
(10) JERRY DON CUNNINGHAM DIRECTOR	5 0	X						0	0	0
(11) WILLIAM KING MD DIRECTOR	5 0	X						0	0	0
(12) RON PETERSON CEO	50 0			X				461,896	0	29,916
(13) IVAN HOLLEMAN CFO	50 0			X				271,240	0	31,012
(14) CATHLEEN HAMEL CNO	50 0			X				237,401	0	19,809
(15) RUDY DARLING COO	50 0			X				203,204	0	24,701
(16) BARNEY LARRY VP/BUSINESS DEVELOPMENT	20 0 30 0				X			238,641	0	31,915
(17) LOUIS ELKINS PHYSICIAN	60 0					X		966,673	0	18,169

Part VII

[illegible]

1b	Sub-Total	▼			
c	Total from continuation sheets to Part VII, Section A	▼			
d	Total (add lines 1b and 1c)	▼	4,566,036	0	233,660

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 **48**

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
CERNER, PO BOX 412702 KANSAS CITY MO 64141	COMPUTER SERVICES	2,054,760
MILESTONE HEALTHCARE INC, L-3542 COLUMBUS OH 43260	REHAB/PSY MANAGEMENT	1,091,514
QUEST DIAGNOSTICS, PO BOX 14730 ST LOUIS MO 63150	LAB SERVICES	786,217
LINCOLN ALEXANDER GODFREY PA, PO BOX 726 MOUNTAIN HOME AR 72654	HEALTH CARE SERVICES	772,579
EXECUTIVE HEALTH RESOURCES, PO BOX 822688 PHILADELPHIA PA 19182	CONTRACT SERVICES	688,670

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 41

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	1,596,824			
	e	Government grants (contributions) 1e	161,581			
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	309,660			
	g	Noncash contributions included in lines 1a-1f \$				
	h	Total. Add lines 1a-1f	2,068,065			
Program Service Revenue	2a	GROSS PATIENT SERVICE REVENUE	621400	158,546,303	158,546,303	
	b	JOINT VENTURE REVENUE	621110	75,090	75,090	
	c					
	d					
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f	158,621,393			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)	1,800,437	0	0	1,800,437
	4	Income from investment of tax-exempt bond proceeds	0			
	5	Royalties	0			
	6a	Gross rents	(i) Real 440,609	(ii) Personal		
	b	Less rental expenses	339,552			
	c	Rental income or (loss)	101,057	0		
	d	Net rental income or (loss)	101,057	0	0	101,057
	7a	Gross amount from sales of assets other than inventory	(i) Securities 20,361,570	(ii) Other 25,400		
	b	Less cost or other basis and sales expenses	17,967,252	70,577		
	c	Gain or (loss)	2,394,318	-45,177		
	d	Net gain or (loss)	2,349,141	0	0	2,349,141
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a			
	b	Less direct expenses	b			
	c	Net income or (loss) from fundraising events	0			
	9a	Gross income from gaming activities See Part IV, line 19	a			
	b	Less direct expenses	b			
	c	Net income or (loss) from gaming activities	0			
	10a	Gross sales of inventory, less returns and allowances	a			
	b	Less cost of goods sold	b			
	c	Net income or (loss) from sales of inventory	87,698	0	0	87,698
		Miscellaneous Revenue	Business Code			
	11a	CARE - MU	900099	2,680,521		2,680,521
	b	CAFETERIA REVENUE	900099	785,508		785,508
	c	VENDING MACHINE	900099	19,760		19,760
	d	All other revenue		-226,981		-226,981
	e	Total. Add lines 11a-11d	3,258,808			
	12	Total revenue. See Instructions	168,286,599	158,621,393	0	7,597,141

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.	0			
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	10,685	10,685		
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.	1,549,735		1,549,735	
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.	59,340,006	51,943,096	7,396,910	0
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	1,641,986	1,437,308	204,678	0
9	Other employee benefits.	11,297,509	9,889,241	1,408,268	
10	Payroll taxes.	4,769,292	4,174,785	594,507	
11	Fees for services (non-employees):				
a	Management.	0			
b	Legal.	81,606	71,434	10,172	
c	Accounting.	40,951	35,846	5,105	
d	Lobbying.	0			
e	Professional fundraising services. See Part IV, line 17.	0			
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).	10,102,771	8,843,430	1,259,341	
12	Advertising and promotion.	391,436	342,642	48,794	
13	Office expenses.	1,461,104	1,278,973	182,131	
14	Information technology.	264,782	231,776	33,006	
15	Royalties.	0			
16	Occupancy.	5,457,999	4,777,643	680,356	
17	Travel.	825,497	722,596	102,901	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
19	Conferences, conventions, and meetings.	0			
20	Interest.	2,768,888	2,423,738	345,150	
21	Payments to affiliates.	0			
22	Depreciation, depletion, and amortization.	9,671,695	8,466,089	1,205,606	
23	Insurance.	1,475,108	1,291,231	183,877	
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	PATIENT SUPPLIES & IMPLANTS	16,173,576	16,173,576		
b	BAD DEBT EXPENSE	12,011,488	12,011,488		
c	MEDICAL SUPPLIES	11,921,476	11,921,476		
d	EQUIPMENT RENTAL & MAINTENANCE	6,627,242	5,801,136	826,106	
e	All other expenses	9,848,050	8,620,461	1,227,589	
25	Total functional expenses. Add lines 1 through 24e.	167,732,882	150,468,650	17,264,232	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		6,382,318	1	7,390,396
	2	Savings and temporary cash investments		0	2	0
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		24,173,809	4	18,849,311
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		6,146,237	8	6,561,065
	9	Prepaid expenses and deferred charges		1,745,142	9	1,380,557
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a185,422,390			
	b	Less accumulated depreciation	10b124,905,242	60,861,393	10c	60,517,148
	11	Investments—publicly traded securities		0	11	0
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		54,114,302	15	55,450,745
	16	Total assets. Add lines 1 through 15 (must equal line 34)		153,423,201	16	150,149,222
Liabilities	17	Accounts payable and accrued expenses		22,252,204	17	20,870,073
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		66,471,120	20	63,536,080
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		5,604,329	23	4,695,573
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		0	25	0
	26	Total liabilities. Add lines 17 through 25		94,327,653	26	89,101,726
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		58,903,442	27	60,853,726
	28	Temporarily restricted net assets		187,106	28	188,770
	29	Permanently restricted net assets		5,000	29	5,000
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		59,095,548	33	61,047,496
	34	Total liabilities and net assets/fund balances		153,423,201	34	150,149,222

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	168,286,599
2	Total expenses (must equal Part IX, column (A), line 25)	2	167,732,882
3	Revenue less expenses Subtract line 2 from line 1	3	553,717
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	59,095,548
5	Net unrealized gains (losses) on investments	5	1,440,454
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	-42,223
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	61,047,496

Part XII Financial Statements and Reporting

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

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

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 BAXTER COUNTY REGIONAL HOSPITAL INC	Employer identification number 71-0561765
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Part I

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

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

- 1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state _____
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9

☐

An organization that normally receives (1) more than 33¹/₃% 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 33¹/₃% 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?

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

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

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage						
14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f))		14				
15 Public support percentage for 2012 Schedule A, Part II, line 14		15				
16a 33 1/3% support test—2013. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶						
b 33 1/3% support test—2012. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶						
17a 10%-facts-and-circumstances test—2013. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶						
b 10%-facts-and-circumstances test—2012. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶						
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶						

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

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

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage		
15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2012 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2013. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
b 33 1/3% support tests—2012. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶		

Part IV

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

Facts And Circumstances Test		
Return Reference	Explanation	

SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ **Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.**

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

OMB No 1545-0047

2013

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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 BAXTER COUNTY REGIONAL HOSPITAL INC	Employer identification number 71-0561765
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Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

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

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

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

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

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

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

Part II-A

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

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

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

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

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

Part II-B

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
	a Volunteers?		No	
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
	c Media advertisements?		No	
	d Mailings to members, legislators, or the public?		No	
	e Publications, or published or broadcast statements?		No	
	f Grants to other organizations for lobbying purposes?		No	
	g Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
	i Other activities?	Yes		
	j Total. Add lines 1c through 1i.			30,096
	2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	30,096
	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?		No	

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
FORM 990, SCHEDULE C, PART II-B, LINE 11	LOBBYING ACTIVITIES INCLUDE EFFORTS FOR MEDICARE RECLASSIFICATIONS, RURAL REFERRAL CENTER COALITION, AND DUES FOR AMERICAN HOSPITAL ASSOCIATION

[illegible]

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization BAXTER COUNTY REGIONAL HOSPITAL INC	Employer identification number 71-0561765
--	---

Part I

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

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

Part II

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

1

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

☐ Preservation of land for public use (e g , recreation or education)☐ Preservation of an historically important land area
☐ Protection of natural habitat☐ Preservation of a certified historic structure
☐ Preservation of open space

2

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

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

3

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

4

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

5

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

☐ **Yes**☐ **No**

6

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

7

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

8

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

☐ **Yes**☐ **No**

9

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

Part III

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

1a

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

b

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

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

▶ \$ _____

(ii) Assets included in Form 990, Part X

▶ \$ _____

2

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

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

b

Assets included in Form 990, Part X

▶ \$ _____

Part III

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

- 3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other
- 4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII
- 5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

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

- 1a

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

☐ Yes

☐ No
- b

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

	Amount
1c	
1d	
1e	
1f	
- 2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No
- b

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

☐

Part V

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance	10,077,865	9,557,211	9,238,147	8,677,407	8,241,019
b Contributions	82,592	31,211	376,675	268,615	121,360
c Net investment earnings, gains, and losses	2,026,728	704,222	181,600	868,931	634,108
d Grants or scholarships	642,753	214,779	239,211	576,806	319,080
e Other expenditures for facilities and programs	0	0	0	0	0
f Administrative expenses	0	0	0	0	0
g End of year balance	11,544,432	10,077,865	9,557,211	9,238,147	8,677,407

- 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 63 000 %

c

Temporarily restricted endowment 37 000 %

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

3a

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

(i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

3b

Yes

4

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

Land, Buildings, and Equipment. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.
- | Description of property | (a) Cost or other basis (investment) | (b)Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--|--------------------------------------|--------------------------------|------------------------------|----------------|
| 1a Land | | 4,355,680 | | 4,355,680 |
| b Buildings | | 65,436,305 | 39,212,116 | 26,224,189 |
| c Leasehold improvements | | | | |
| d Equipment | | 111,785,647 | 84,006,201 | 27,779,446 |
| e Other | | 3,844,758 | 1,686,925 | 2,157,833 |
| Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) | | | | 60,517,148 |
- Schedule D (Form 990) 2013

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	157,630,821
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	2e	1,485,631
a	Net unrealized gains on investments	2a	1,440,454
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII)	2d	45,177
e	Add lines 2a through 2d	2e	1,485,631
3	Subtract line 2e from line 1	3	156,145,190
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1	4c	12,141,409
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII)	4b	12,141,409
c	Add lines 4a and 4b	4c	12,141,409
5	Total revenue Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)	5	168,286,599

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	155,766,571
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	2e	45,177
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII)	2d	45,177
e	Add lines 2a through 2d	2e	45,177
3	Subtract line 2e from line 1	3	155,721,394
4	Amounts included on Form 990, Part IX, line 25, but not on line 1 :	4c	12,011,488
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII)	4b	12,011,488
c	Add lines 4a and 4b	4c	12,011,488
5	Total expenses Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)	5	167,732,882

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
FORM 990, SCHEDULE D, PART V, LINE 4	ENDOWMENT FUNDS ARE HELD BY HOSPITAL DEVELOPMENT FOUNDATION TO SUPPORT BAXTER COUNTY REGIONAL HOSPITAL D/B/A BAXTER REGIONAL MEDICAL CENTER
FORM 990, SCHEDULE D, PART XI, LINE 2D	LOSS ON SALE OF ASSETS \$45,177
FORM 990, SCHEDULE D, PART XII, LINE 2D	LOSS ON SALE OF ASSETS \$45,177
FORM 990, SCHEDULE D, PART XI, LINE 4B	BAD DEBT EXPENSE \$12,011,488 INCOME FROM AUXILIARY \$87,698 RENAL CENTER OF MOUNTAIN HOME, LLC K-1 \$42,223 ===== TOTAL \$12,141,409
FORM 990, SCHEDULE D, PART XII, LINE 4B	BAD DEBT EXPENSE \$12,011,488
FORM 990, SCHEDULE D, PART X, LINE 2	MANAGEMENT HAS EVALUATED THEIR INCOME TAX POSITIONS UNDER THE GUIDANCE INCLUDED IN ASC 740. BASED ON THEIR REVIEW, MANAGEMENT HAS NOT IDENTIFIED ANY MATERIAL UNCERTAIN TAX POSITIONS TO BE RECORDED OR DISCLOSED IN THE FINANCIAL STATEMENTS

[illegible]

SCHEDULE H
(Form 990)

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

Department of the Treasury
Internal Revenue Service

Name of the organization
BAXTER COUNTY REGIONAL HOSPITAL INC

Employer identification number
71-0561765

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No	
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year <div><input type="checkbox"/> Applied uniformly to all hospital facilities</div> <div><input type="checkbox"/> Applied uniformly to most hospital facilities</div> <div><input type="checkbox"/> Generally tailored to individual hospital facilities</div>			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care <div><input type="checkbox"/> 100% <input checked="" type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %</div>	3a	Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care <div><input checked="" type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %</div>	3b	Yes	
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	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 eligible 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)			3,152,679		3,152,679	2 020 %
b Medicaid (from Worksheet 3, column a)			13,426,225	8,500,805	4,925,420	3 160 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			16,578,904	8,500,805	8,078,099	5 180 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			1,035,530	442,040	593,490	0 380 %
f Health professions education (from Worksheet 5)			1,098,453		1,098,453	0 710 %
g Subsidized health services (from Worksheet 6)			6,295,948	5,096,178	1,199,770	0 360 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			107,009	180	106,829	0 070 %
j Total Other Benefits			8,536,940	5,538,398	2,998,542	1 520 %
k Total. Add lines 7d and 7j			25,115,844	14,039,203	11,076,641	6 700 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing						
2Economic development						
3Community support			25,804		25,804	0.020 %
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy						
8Workforce development			1,418,995		1,418,995	0.910 %
9Other						
10Total			1,444,799		1,444,799	0.930 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

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

1

No

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

12,011,489

3

Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.

3

4

Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.

Section B. Medicare

5

Enter total revenue received from Medicare (including DSH and IME).

5

68,214,243

6

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

6

66,846,693

7

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

7

1,367,550

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

9b

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

9b

Yes

Part IVManagement Companies and Joint Ventures

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

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1RENAL VENTURES OF MT	DIALYSIS SERVICES	37.000 %		12.000 %
2BAXTER REGIONAL PHO	HEALTHCARE ADMIN SERVICES	50.000 %		50.000 %
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

												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)

BAXTER COUNTY REGIONAL HOSPITAL INC

Name of hospital facility or facility reporting group

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

1

		Yes	No
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 If "Yes," indicate what the CHNA report describes (check all that apply)	1	Yes
a	<input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b	<input checked="" type="checkbox"/> Demographics of the community		
c	<input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	<input checked="" type="checkbox"/> How data was obtained		
e	<input checked="" type="checkbox"/> The health needs of the community		
f	<input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	<input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	<input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i	<input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j	<input type="checkbox"/> Other (describe in Part VI)		
2	Indicate the tax year the hospital facility last conducted a CHNA 20 <u>13</u>		
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	Yes
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	No
5	Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5	Yes
a	<input checked="" type="checkbox"/> Hospital facility's website (list url) <u>WWW.BAXTERREGIONAL.ORG</u>		
b	<input type="checkbox"/> Other website (list url) _____		
c	<input type="checkbox"/> Available upon request from the hospital facility		
d	<input type="checkbox"/> 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	<input type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b	<input type="checkbox"/> Execution of the implementation strategy		
c	<input type="checkbox"/> Participation in the development of a community-wide plan		
d	<input type="checkbox"/> Participation in the execution of a community-wide plan		
e	<input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f	<input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g	<input checked="" type="checkbox"/> Prioritization of health needs in its community		
h	<input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	<input type="checkbox"/> 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? If "Yes," indicate the FPG family income limit for eligibility for free care 150 % If "No," explain in Part VI the criteria the hospital facility used	10	Yes
11	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care 200 % If "No," explain in Part VI the criteria the hospital facility used	11	Yes
12	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)	12	Yes
a	<input checked="" type="checkbox"/> Income level		
b	<input checked="" type="checkbox"/> Asset level		
c	<input checked="" type="checkbox"/> Medical indigency		
d	<input checked="" type="checkbox"/> Insurance status		
e	<input checked="" type="checkbox"/> Uninsured discount		
f	<input type="checkbox"/> Medicaid/Medicare		
g	<input type="checkbox"/> State regulation		
h	<input type="checkbox"/> Residency		
i	<input checked="" type="checkbox"/> 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? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	14	Yes
a	<input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input checked="" type="checkbox"/> The policy was attached to billing invoices		
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available upon request		
g	<input type="checkbox"/> 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	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> 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? If "Yes," check all actions in which the hospital facility or a third party engaged	17	No
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Section C)		

Part V

Facility Information (continued)

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

☒

Notified individuals of the financial assistance policy on admission
- b

☒

Notified individuals of the financial assistance policy prior to discharge
- c

☒

Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- d

☒

Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- e

☐

Other (describe in Section C)

Policy Relating to Emergency Medical Care

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

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

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

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
FORM 990, SCHEDULE H, PART I, LINE 7, COLUMN (F)	BAD DEBT EXPENSE IN THE AMOUNT OF \$12,011,488 IS INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A) ("TOTAL FUNCTIONAL EXPENSES"), BUT IS SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGES IN THIS COLUMN
FORM 990, SCHEDULE H, PART I, LINE 7	THE CHARITY CARE AMOUNTS WERE DERIVED FROM THE COST TO CHARGE RATIO THE MEDICAID AMOUNT WAS FROM AN INTERNAL COST ACCOUNTING SYSTEM, ADJUSTED FOR MEDICAID UPL AND ASSESSMENT IN 2013

Form and Line Reference	Explanation
FORM 990, SCHEDULE H, PART III, LINE 4	ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR DOUBTFUL ACCOUNTS. IN EVALUATING THE COLLECTIBILITY OF ACCOUNTS RECEIVABLE, THE SYSTEM ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYER SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR UNCOLLECTIBLE ACCOUNTS. MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAYER SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS. FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY COVERAGE, THE SYSTEM ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS AND A PROVISION FOR UNCOLLECTIBLE ACCOUNTS, IF NECESSARY. FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS, THE SYSTEM RECORDS A SIGNIFICANT PROVISION FOR UNCOLLECTIBLE ACCOUNTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE. THE DIFFERENCE BETWEEN THE STANDARD RATES AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS.
FORM 990, SCHEDULE H, PART III, LINE 8	THE MEDICARE COSTS WERE OBTAINED FROM THE MEDICARE COST REPORT.

Form and Line Reference	Explanation
FORM 990, SCHEDULE H, PART III, LINE 9B	WHEN BAD DEBT ACCOUNTS ARE REFERRED TO A COLLECTION AGENCY, THE AGENCY CAN PROVIDE DEBTORS WITH A BAXTER REGIONAL FINANCIAL STATEMENT FOR COMPLETION IF THE FOLLOWING CRITERIA APPLY 1)THE PATIENT/DEBTOR HAS NOT ALREADY OBTAINED ASSISTANCE THROUGH THE HOSPITAL 2)THE PATIENT/DEBTOR INDICATES A FINANCIAL NEED WITHIN 30 DAYS OF THE ACCOUNT BEING REFERRED TO THE COLLECTION AGENCY IF THE PATIENT/DEBTOR DOES NOT COMMUNICATE WITH THE HOSPITAL OR COLLECTION AGENCY PRIOR TO THE 30 DAY WINDOW, ELIGIBILITY FOR ASSISTANCE COMES TO AN END
FORM 990, SCHEDULE H, PART VI, LINE 2	SERVICE NEEDS ASSESSMENTS ARE DEVELOPED FROM COMMUNITY INPUT, INDIVIDUAL FUNDING, COMMUNITY SURVEYS, TALKING WITH COMMUNITY LEADERS AS WELL AS RESEARCH OF STATE AND NATIONAL TRENDS PHYSICIAN NEEDS ASSESSMENTS ARE OBTAINED THROUGH ANALYSIS PROVIDED BY AN OUTSIDE COMPANY AT LEAST BI-ANNUALLY

Form and Line Reference	Explanation
FORM 990, SCHEDULE H, PART VI, LINE 3	PATIENTS ARE GIVEN HANDOUTS REGARDING FINANCIAL ASSISTANCE AT ALL REGISTRATION AREAS UPON ADMISSION ALL SELF PAY PATIENTS ARE SCREENED FOR MEDICAID ELIGIBILITY, CHARITY OR OTHER FINANCIAL ASSISTANCE RECOMMENDATIONS DURING THEIR STAY AND HAVE THE OPPORTUNITY TO TALK WITH FINANCIAL COUNSELORS FINANCIAL ASSISTANCE AND CONTACT INFORMATION IS AVAILABLE ON ALL HOSPITAL STATEMENT MAILINGS AND ON THE HOSPITAL'S WEBSITE
FORM 990, SCHEDULE H, PART VI, LINE 4	BAXTER REGIONAL MEDICAL CENTER IS LOCATED IN THE HEART OF THE BEAUTIFUL OZARK MOUNTAINS IN NORTH-CENTRAL ARKANSAS BAXTER REGIONAL AND ITS SUBSIDIARIES AND CLINICS PROVIDE CARE TO PATIENTS FROM TWO STATES AND 14 COUNTIES OUR HEALTHCARE IS STATE-OF-THE-ART HEALTHCARE BAXTER REGIONAL MEDICAL CENTER IS KNOWN THROUGHOUT THE REGION FOR OUR CENTERS OF EXCELLENCE CANCER, CARDIAC, DIGESTIVE DISEASES, SURGERY, VASCULAR DISEASES AND WOMEN'S HEALTH AT BAXTER REGIONAL MEDICAL CENTER, WE HAVE SET OUT TO CHANGE THE EXPERIENCE OF SURGERY WITH OUR INVESTMENT IN THE MOST ADVANCED TECHNOLOGY FOR MINIMALLY INVASIVE SURGERY, THE DA VINCI SURGICAL SYSTEM THE BREAST IMAGING CENTER AT BAXTER REGIONAL MEDICAL CENTER IS HOME TO ARKANSAS' & MISSOURI'S FIRST 3-D MAMMOGRAM 3-D MAMMOGRAPHY IS ALSO AVAILABLE ON OUR MOBILE UNIT WHICH TRAVELS OUR SERVICE AREA PROVIDING MAMMOGRAMS FOR WOMEN WHO MIGHT NOT OTHERWISE RECEIVE ONE FIRST OPENED IN 1963, BAXTER REGIONAL IS A 268 ALL PRIVATE BED CARE FACILITY WITH MORE THAN 100 PHYSICIANS ON STAFF

Form and Line Reference	Explanation
FORM 990, SCHEDULE H, PART VI, LINE 5	BAXTER REGIONAL WORKS TO RECRUIT PHYSICIANS INTO OUR RURAL AREA TO PROVIDE SPECIALTY AND FAMILY PRACTICE MEDICAL CARE BAXTER REGIONAL MEDICAL CENTER ASSISTS IN PROVIDING COMMUNITY MEMBERS LEADERSHIP TRAINING CLASSES BAXTER ALSO WORKS WITH AREA OFFICIALS FOR DISASTER PREPAREDNESS AND TRAINING BAXTER REGIONAL MEDICAL CENTER PROVIDES HEALTH FAIRS, SCREENING AND EDUCATION EVENTS FOR THE COMMUNITY AND SURROUNDING AREAS
FORM 990, SCHEDULE H, PART VI, LINE 6	BAXTER REGIONAL MEDICAL CENTER'S MISSION IS TO PROVIDE EXCELLENT CARE FOR EVERY PATIENT, EVERY TIME BRMC STRIVES TO PROVIDE QUALITY CARE IN A RURAL COMMUNITY SETTING WITH PATIENT AND FAMILY FRIENDLY CUSTOMER SERVICE THE HOSPITAL PROVIDES A VARIETY OF INPATIENT SERVICES INCLUDING SPECIALTY SERVICES SUCH AS CARDIOVASCULAR, OPEN HEART SURGERY, ONCOLOGY, PLASTIC SURGERY, ORTHOPEDICS, OBSTETRICS, GERI-PSY UNIT AND AN INPATIENT REHABILITATION UNIT OUTPATIENT SERVICES INCLUDE HOSPITAL BASED PHYSICIAN CLINICS, EMERGENCY, AMBULANCE SERVICES, HOME HEALTH SERVICES, CARDIAC REHABILITATION AND BREAST IMAGING CENTER THE MISSION OF HOSPICE OF THE OZARKS IS TO IMPROVE THE QUALITY OF LIFE FOR PEOPLE IN THE LAST PHASES OF AN INCURABLE ILLNESS AND THEIR FAMILY MEMBERS BY PROVIDING A HIGH LEVEL OF COMPREHENSIVE CARE BAXTER REGIONAL HOSPITAL FOUNDATION RAISES MONEY TO KEEP THE COMMUNITY HEALTHY THE FUNDRAISING EFFORTS OF THE FOUNDATION PROVIDE FINANCIAL SUPPORT FOR BAXTER REGIONAL MEDICAL CENTER BAXTER REGIONAL HEALTH SYSTEM OPERATES FOR THE BENEFIT OF, PERFORM FUNCTIONS OF AND/OR CARRY OUT THE PURPOSE OF BAXTER REGIONAL MEDICAL CENTER AND OTHER HEALTH CARE ORGANIZATIONS LOCATED IN THE STATE OF ARKANSAS WHICH ARE HOSPITALS

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
BAXTER COUNTY REGIONAL HOSPITAL INC

Employer identification number
71-0561765

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

2

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

▶

3

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

▶

Part III

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

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
(1) ASSISTANCE FOR PATIENTS EXHIBITING NEED	108		10,685	FMV	PRESCR/MED SUPPLY

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
FORM 990,SCHEDULE I, PART I, LINE 2	ANY INDIVIDUAL EXHIBITING A NEED FOR PRESCRIPTION ASSISTANCE OR MEDICAL SUPPLY ASSISTANCE IS REFERRED TO A SOCIAL WORKER FOR ONE-TIME ASSISTANCE WITH THIS NEED

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
BAXTER COUNTY REGIONAL HOSPITAL INC

Employer identification number
71-0561765

Part I

Questions Regarding Compensation

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

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

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

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

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

Part III **Supplemental Information**

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

Return Reference	Explanation
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Additional Data

Software ID:
Software Version:
EIN: 71-0561765
Name: BAXTER COUNTY REGIONAL HOSPITAL INC

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
RON PETERSON CEO	(i) (ii)	459,964 0	0 0	1,932 0	10,200 0	19,716 0	491,812 0	0 0
IVAN HOLLEMAN CFO	(i) (ii)	250,290 0	0 0	20,950 0	10,200 0	20,812 0	302,252 0	0 0
CATHLEEN HAMEL CNO	(i) (ii)	234,344 0	0 0	3,057 0	8,371 0	11,438 0	257,210 0	0 0
RUDY DARLING COO	(i) (ii)	200,443 0	0 0	2,761 0	8,239 0	16,462 0	227,905 0	0 0
BARNEY LARRY VP/BUSINESS DEVELOPMENT	(i) (ii)	218,704 0	0 0	19,937 0	9,793 0	22,122 0	270,556 0	0 0
LOUIS ELKINS PHYSICIAN	(i) (ii)	964,351 0	0 0	2,322 0	0 0	18,169 0	984,842 0	0 0
JOANNA TWOMBLY PHYSICIAN	(i) (ii)	535,932 0	0 0	540 0	7,650 0	4,782 0	548,904 0	0 0
TERRY GREEN PHYSICIAN	(i) (ii)	525,897 0	0 0	6,096 0	7,650 0	19,386 0	559,029 0	0 0
MERVIN MOORE PHYSICIAN	(i) (ii)	696,999 0	0 0	2,322 0	0 0	19,386 0	718,707 0	0 0
DANIEL DECKER PHYSICIAN	(i) (ii)	418,709 0	0 0	486 0	0 0	19,284 0	438,479 0	0 0

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BAXTER COUNTY REGIONAL HOSPITAL INC

Employer identification number
71-0561765

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	BAXTER COUNTY ARKANSAS	71-6008786	071808GU7	02-27-2007	40,509,218	HOSPITAL REVENUE REFUNDING FUNDS		X		X		X
B	BAXTER COUNTY ARKANSAS	71-6008786	071808HF9	08-01-2010	25,860,347	HOSPITAL REVENUE REFUNDING FUNDS		X		X		X
C	BAXTER COUNTY ARKANSAS	71-6008786	071808HX0	10-01-2012	5,774,512	HOSPITAL REVENUE IMPROVEMENTS BOND		X		X		X

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired	2,055,000		6,085,000		245,000			
2	Amount of bonds legally defeased	0		0		0			
3	Total proceeds of issue	45,826,055		26,298,972		5,786,702			
4	Gross proceeds in reserve funds	2,738,260		2,848,273		366,328			
5	Capitalized interest from proceeds	0		0		0			
6	Proceeds in refunding escrows	0		0		0			
7	Issuance costs from proceeds	476,439		309,313		114,893			
8	Credit enhancement from proceeds	0		0		0			
9	Working capital expenditures from proceeds	0		0		0			
10	Capital expenditures from proceeds	0		0		5,293,291			
11	Other spent proceeds	0		0		0			
12	Other unspent proceeds	0		0		4,271,094			
13	Year of substantial completion	2009		2010					
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X	X			X		
15	Were the bonds issued as part of an advance refunding issue?	X			X		X		
16	Has the final allocation of proceeds been made?		X		X		X		
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X			

Part III Private Business Use

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

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X		X		X		
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0 %		0 %		0 %			
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0 %		0 %		0 %			
6	Total of lines 4 and 5	0 %		0 %		0 %			
7	Does the bond issue meet the private security or payment test?		X		X		X		
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?		X		X		X		
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X		X		X			

Part IV

Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X		X		X		
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X	X		X			
b	Exception to rebate?		X		X		X		
c	No rebate due?	X			X		X		
If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed									
3	Is the bond issue a variable rate issue?		X		X		X		
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X		
b	Name of provider	0		0		0			
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was the hedge terminated?								

Part IV

Arbitrage (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		
b	Name of provider	0		0		0			
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X		X		X		
7	Has the organization established written procedures to monitor the requirements of section 148?	X		X		X			

Part V

Procedures To Undertake Corrective Action

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

Part VI

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

Return Reference	Explanation
FORM 990, SCHEDULE K, PART I	THE AMOUNTS REPORTED WERE REPORTED ON THE 2007 AND 2010 BOND YEAR ENDS, 9/1/2013 THE AMOUNTS FOR THE 2012 BOND SERIES WERE REPORTED ON BOND YEAR END, 10/1/2013
FORM 990, SCHEDULE K, PART II, LINE 3	TOTAL PROCEEDS ARE NOT IDENTICAL TO THE ISSUE PRICE LISTED ON PART I, COLUMN (E) BECAUSE OF THE INVESMENT EARNINGS
FORM 990, SCHEDULE K, PART IV, LINE 2C	THE LAST REBATE COMPUTATION DATE IS SEPTEMBER 1, 2013 NO REBATE DUE

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

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

OMB No 1545-0047
2013
Open to Public Inspection

Name of the organization
BAXTER COUNTY REGIONAL HOSPITAL INC

Employer identification number
71-0561765

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance
(1) CATHLEEN HAMEL	CNO	4,000	SCHOLARSHIP	TUITION

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) WILLIAM KING MD	OWNER	604,000	PHYSICIAN SVCS		No

Part V Supplemental Information

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

Return Reference	Explanation
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efile GRAPHIC print - DO NOT PROCESS		As Filed Data -		DLN: 93493309013964	
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 BAXTER COUNTY REGIONAL HOSPITAL INC				Employer identification number 71-0561765

990 Schedule O, Supplemental Information

Return Reference	Explanation
990 PART VI, SECTION B, LINE 11B	
990 PART VI, SECTION B, LINE 12C	THE GOVERNING BODY HAS A CONFLICT OF INTEREST/COMPENSATION COMMITTEE. ALL BOARD MEMBERS AND KEY EMPLOYEES REVIEW AND SIGN A CONFLICT OF INTEREST/DISCLOSURE STATEMENT ANNUALLY. ALL PHYSICIANS REVIEW AND SIGN A CONFLICT OF INTEREST/DISCLOSURE STATEMENT BIENNIALY. THE CONFLICT OF INTEREST/COMPENSATION COMMITTEE REVIEWS DISCLOSED TRANSACTIONS.
990 PART VI, SECTION B, LINE 15 (A) & 15 (B)	TOTAL COMPENSATION PROGRAM RECOMMENDATIONS WERE MADE BY INTEGRATED HEALTHCARE STRATEGIES IN A REPORT TO THE COMPENSATION COMMITTEE IN 2013. IN ADDITION, THE COMPENSATION COMMITTEE AND HUMAN RESOURCES DEPARTMENT REVIEWS AREA 990'S, AHA, AND OTHER MARKET DATA AS NEEDED.
990 PART VI, SECTION C, LINE 19	THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON WRITTEN REQUEST.
FORM 990, PART III, LINE 4	GENERAL STATISTICS 2013 ACUTE CARE: ACTUAL OPERATED BEDS 167, PATIENT DAYS 28,990, AVERAGE DAILY CENSUS 79 PERCENT OF OCCUPANCY 47.60%, AVERAGE LENGTH OF STAY 3.50, DISCHARGES 8,331. GERIATRIC OPERATED BEDS 19, PATIENT DAYS 3,242, AVERAGE DAILY CENSUS 9 PERCENT OF OCCUPANCY 46.70%, AVERAGE LENGTH OF STAY 10.50, DISCHARGES 309. REHABILITATION OPERATED BEDS 23, PATIENT DAYS 5,364, AVERAGE DAILY CENSUS 15 PERCENT OF OCCUPANCY 63.90%, AVERAGE LENGTH OF STAY 14.70, DISCHARGES 365. NEWBORN OPERATED BASSINETS 10, PATIENT DAYS 1,139, AVERAGE DAILY CENSUS 3 PERCENT OF OCCUPANCY 31.20%, AVERAGE LENGTH OF STAY 1.80, DISCHARGES 622. MEDICARE - ACUTE CARE: DISCHARGES 4,527, % OF TOTAL DISCHARGES 54.30%, PATIENT DAYS 17,695, % OF TOTAL PATIENT DAYS 61.00%, AVERAGE LENGTH OF STAY 3.90. MEDICAID - ACUTE CARE: DISCHARGES 873, % OF TOTAL DISCHARGES 10.50%, PATIENT DAYS 2,384, % OF TOTAL PATIENT DAYS 8.20%, AVERAGE LENGTH OF STAY 2.70. OUTPATIENTS 66,450, EMERGENCY ROOM VISITS 28,162, HOME HEALTH VISITS 33,373, SURGERIES 7,250, ENDOSCOPY 9,696, CATH LAB 1,704, HEART SURGERIES 160, AMBULANCE TRIPS 11,174, CLINIC VISITS 69,709, LAB TESTS 507,266, RADIOLOGY PROCEDURES 46,279, MRI PROCEDURES 3,930, CT SCANS 10,759, NUCLEAR MEDICINE PROCEDURES 1,752, ULTRASOUND PROCEDURES 8,519.
FORM 990, PART III, LINE 1	BAXTER REGIONAL MEDICAL CENTER'S MISSION IS TO PROVIDE EXCELLENCE IN MEDICAL CARE FOR EVERY PATIENT, EVERY TIME. BRMC STRIVES TO PROVIDE QUALITY CARE IN A RURAL COMMUNITY SETTING WITH PATIENT AND FAMILY FRIENDLY CUSTOMER SERVICE. THE HOSPITAL PROVIDES A VARIETY OF INPATIENT SERVICES INCLUDING SPECIALTIES SUCH AS CARDIOVASCULAR, OPEN HEART SURGERY, ONCOLOGY, PLASTIC SURGERY, ORTHOPEDICS, OBSTETRICS, A GERIATRIC UNIT AND AN INPATIENT REHABILITATION UNIT. OUTPATIENT SERVICES INCLUDE HOSPITAL-BASED PHYSICIAN CLINICS, EMERGENCY AND AMBULANCE SERVICES, HOME HEALTH SERVICES, CARDIAC REHABILITATION AND IMAGING CENTER PHYSICIANS, STAFF, AND VOLUNTEERS SUPPORT OUR PILLARS OF EXCELLENCE THROUGH THEIR COMMITMENT TO QUALITY AND EXEMPLARY PATIENT CARE WHILE STAYING FINANCIALLY SOUND AND CONTINUALLY GROWING OUR SERVICES TO MEET THE NEEDS OF OUR COMMUNITIES. ANNUALLY, WE REACH BEYOND OUR HOSPITAL WALLS TO HOST A HEALTH FAIR FOR THE POPULATIONS THAT WE SERVE AND PROVIDE HEALTH-RELATED EDUCATIONAL MATERIALS, FREE BLOOD PRESSURE CHECKS, SCREENINGS, NUTRITIONAL INFORMATION, WITH OVER 30 DEPARTMENTS FROM THE HOSPITAL REPRESENTED TO EDUCATE THE PUBLIC AND ENCOURAGE PREVENTIVE MEASURES RELATING TO AN INDIVIDUAL'S HEALTH.
FORM 990 PART VI, SECTION A, LINE 2	STEPHEN LUELF AND SAMMIE SMITH - BUSINESS RELATIONSHIP JERRY CUNNINGHAM AND BARNEY LARRY - BUSINESS RELATIONSHIP
FORM 990, PART XI, LINE 9	RENAL CENTER OF MOUNTAIN HOME, LLC K-1 \$(42,223)

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
BAXTER COUNTY REGIONAL HOSPITAL INC

Employer identification number
71-0561765

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.					
(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.							
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) HOSPICE OF THE OZARKS 701 BURNETT DRIVE MOUNTAIN HOME, AR 72653 71-0521323	HOSPICE	AR	501 (C) (3)	7	BAXTER HOSPI	Yes	
(2) HOSPITAL DEVELOPMENT FOUNDATION INC 624 HOSPITAL DRIVE MOUNTIAN HOME, AR 72653 58-1805265	SUPPORT	AR	501 (C) (3)	11A	BAXTER HOSPI	Yes	
(3) BAXTER REGIONAL HEALTH SYSTEM 624 HOSPITAL DRIVE MOUNTAIN HOME, AR 72653 30-0650211	SUPPORT	AR	501 (C) (3)	11A	NA		No

Part III

Identification of Related Organizations Taxable as a Partnership

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

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

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

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

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

Part V

Transactions With Related Organizations

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

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

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

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

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

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

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

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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

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

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

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

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

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

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

Yes

No

1a

No

1b

No

1c

Yes

1d

Yes

1e

No

1f

No

1g

No

1h

No

1i

No

1j

No

1k

Yes

1l

No

1m

No

1n

No

1o

Yes

1p

No

1q

Yes

1r

No

1s

No

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) HOSPITAL DEVELOPMENT FOUNDATION	C	1,596,824	FMV
(2) HOSPITAL DEVELOPMENT FOUNDATION	J	59,360	FMV
(3) HOSPITAL DEVELOPMENT FOUNDATION	N	268,056	FMV
(4) HOSPITAL DEVELOPMENT FOUNDATION	P	288,257	FMV
(5) HOSPICE OF THE OZARKS	P	3,450,839	FMV

Schedule R (Form 990) 2013

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

[illegible]

Part VII

Supplemental Information

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

Return Reference	Explanation
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Baxter Regional Health System

Independent Auditor's Reports, Consolidated Financial Statements
and Supplementary Information

December 31, 2013 and 2012



Baxter Regional Health System

December 31, 2013 and 2012

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Proximity:

Opinion

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

Other Matters

Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating information is presented for purposes of additional analysis and is not a required part of the consolidating financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

BKD, LLP

Little Rock, Arkansas
April 16, 2014

Baxter Regional Health System

Consolidated Balance Sheets

December 31, 2013 and 2012

Assets

	2013	2012
Current Assets		
Cash and cash equivalents	\$ 10,105,110	\$ 10,098,082
Short-term investments	8,635,609	7,281,587
Assets limited as to use – current	1,987,820	1,889,936
Patient accounts receivable, net of allowance, 2013 – \$8,614,036, 2012 – \$9,929,527	19,153,457	23,140,089
Supplies	6,561,065	6,146,237
Prepaid expenses and other	2,357,104	1,468,784
Estimated amounts due from third-party payers	801,466	886,403
Total current assets	49,601,631	50,911,118
Assets Limited as to Use		
Internally designated for capital improvements	41,801,980	41,223,627
Externally restricted by donors	12,306,362	10,758,617
Held by trustee under indenture agreement	11,179,270	12,210,569
Other	200,000	200,000
	65,487,612	64,392,813
Less amount required to meet current obligations	1,987,820	1,889,936
	63,499,792	62,502,877
Investments in and Advances to Equity Investees	320,937	306,570
Property and Equipment, at Cost		
Land and land improvements	7,443,171	6,672,424
Buildings and leasehold improvements	69,507,590	65,179,966
Equipment	113,583,477	109,172,912
Construction in progress	1,778,722	1,418,496
	192,312,960	182,443,798
Less accumulated depreciation	126,675,409	119,244,352
	65,637,551	63,199,446
Other Assets		
Deferred financing costs, net	458,724	552,232
Long-term investments	497,952	-
Other	115,839	110,186
	1,072,515	662,418
Total assets	\$ 180,132,426	\$ 177,582,429

See Notes to Consolidated Financial Statements

Liabilities and Net Assets

	2013	2012
Current Liabilities		
Current maturities of long-term debt	\$ 4,068,553	\$ 3,818,756
Accounts payable	7,252,911	7,454,997
Accrued expenses	8,630,418	8,371,421
Accrued interest	915,650	930,620
Estimated amounts due to third-party payers	<u>4,658,443</u>	<u>5,983,817</u>
Total current liabilities	25,525,975	26,559,611
Long-term Debt	<u>67,023,889</u>	<u>68,256,693</u>
Total liabilities	<u>92,549,864</u>	<u>94,816,304</u>
Net Assets		
Unrestricted		
Baxter Regional Health System	75,804,624	72,496,156
Noncontrolling interest	<u>39,734</u>	<u>-</u>
Total unrestricted net assets	75,844,358	72,496,156
Temporarily restricted	4,419,018	2,950,783
Permanently restricted	<u>7,319,186</u>	<u>7,319,186</u>
Total net assets	<u>87,582,562</u>	<u>82,766,125</u>
Total liabilities and net assets	<u>\$ 180,132,426</u>	<u>\$ 177,582,429</u>

Baxter Regional Health System
Consolidated Statements of Operations
Years Ended December 31, 2013 and 2012

	2013	2012
Unrestricted Revenues, Gains and Other Support		
Patient service revenue (net of contractual discounts and allowances)	\$ 161,682,426	\$ 167,204,314
Provision for uncollectible accounts	12,011,488	9,633,615
Net patient service revenue less provision for uncollectible accounts	149,670,938	157,570,699
Other	5,335,206	2,369,755
Contributions received	817,616	1,401,990
Net assets released from restrictions used for operations	642,753	233,419
Total unrestricted revenues, gains and other support	156,466,513	161,575,863
Expenses and Losses		
Salaries and wages	62,843,412	62,935,127
Employee benefits	18,247,390	19,206,970
Professional fees	10,368,647	10,598,241
Supplies and other	54,219,210	54,554,973
Depreciation and amortization	9,969,122	9,852,155
Interest	2,786,339	2,962,451
Provider assessment tax	1,850,707	1,912,385
Total expenses and losses	160,284,827	162,022,302
Operating Loss	(3,818,314)	(446,439)
Other Income (Expense)		
Investment return	4,118,949	3,097,608
Impairment of real estate investment	(950,445)	-
Other, net	(114,226)	(159,986)
Total other income	3,054,278	2,937,622
Excess (Deficiency) of Revenues Over Expenses	(764,036)	2,491,183
Investment return – change in unrealized gains and losses on other-than-trading securities	2,719,901	1,052,644
Capital contribution	9,880	-
Contributions of or for acquisition of property and equipment	1,382,457	463,936
Increase in Unrestricted Net Assets	<u>\$ 3,348,202</u>	<u>\$ 4,007,763</u>

Baxter Regional Health System
Consolidated Statements of Changes in Net Assets
Years Ended December 31, 2013 and 2012

	2013	2012
Unrestricted Net Assets		
Excess (deficiency) of revenues over expenses	\$ (764,036)	\$ 2,491,183
Investment return – change in unrealized gains and losses on other-than-trading securities	2,719,901	1,052,644
Capital contribution	9,880	-
Contributions of or for acquisition of property and equipment	<u>1,382,457</u>	<u>463,936</u>
Increase in unrestricted net assets	<u>3,348,202</u>	<u>4,007,763</u>
Temporarily Restricted Net Assets		
Contributions received	82,595	31,210
Investment return	2,028,393	704,398
Net assets released from restriction	<u>(642,753)</u>	<u>(233,419)</u>
Increase in temporarily restricted net assets	<u>1,468,235</u>	<u>502,189</u>
Change in Net Assets	4,816,437	4,509,952
Net Assets, Beginning of Year	<u>82,766,125</u>	<u>78,256,173</u>
Net Assets, End of Year	<u><u>\$ 87,582,562</u></u>	<u><u>\$ 82,766,125</u></u>

Baxter Regional Health System
Consolidated Statements of Cash Flows
Years Ended December 31, 2013 and 2012

	2013	2012
Operating Activities		
Change in net assets	\$ 4,816,437	\$ 4,509,952
Items not requiring (providing) cash		
Depreciation and amortization	10,162,236	10,040,389
Change in realized and unrealized gains and losses	(7,067,986)	(3,422,299)
Contributions of or for acquisition of property and equipment	(1,382,457)	(463,936)
Gain on investments in equity investees	(32,867)	(23,701)
Loss on disposal of property and equipment	45,177	50,836
Impairment of real estate investment	950,445	-
Provision for uncollectible accounts	12,011,488	9,633,615
Changes in		
Patient accounts receivable, net	(8,024,856)	(14,357,207)
Estimated amounts due to/from third-party payers	(1,240,437)	297,358
Accounts payable and accrued expenses	123,097	551,351
Supplies	(414,828)	(620,840)
Other current assets and liabilities	(899,468)	269,661
Net cash provided by operating activities	<u>9,045,981</u>	<u>6,465,179</u>
Investing Activities		
Purchase of investments	(47,096,949)	(42,491,528)
Proceeds from disposition of investments	50,267,717	42,407,935
Purchase of property and equipment	(12,678,111)	(13,300,501)
Proceeds from sale of property and equipment	25,400	9,000
Distributions received from equity investees	18,500	-
Net cash used in investing activities	<u>(9,463,443)</u>	<u>(13,375,094)</u>
Financing Activities		
Proceeds from contributions for acquisition of property and equipment	1,382,457	463,936
Proceeds from issuance of long-term debt	2,860,789	5,751,528
Principal payments on long-term debt	(3,818,756)	(4,586,831)
Net cash provided by financing activities	<u>424,490</u>	<u>1,628,633</u>
Increase (Decrease) in Cash and Cash Equivalents	7,028	(5,281,282)
Cash and Cash Equivalents, Beginning of Year	<u>10,098,082</u>	<u>15,379,364</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 10,105,110</u></u>	<u><u>\$ 10,098,082</u></u>
Supplemental Cash Flows Information		
Interest paid	\$ 2,937,408	\$ 2,969,537

Baxter Regional Health System

Notes to Consolidated Financial Statements

December 31, 2013 and 2012

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

Nature of Operations and Principles of Consolidation

Baxter Regional Health System (the System) is an Arkansas not-for-profit charitable corporation. The System is the sole member of Baxter County Regional Hospital, Inc. doing business as Baxter Regional Medical Center (the Medical Center), which primarily earns revenues by providing inpatient, outpatient, geriatric psychiatric, rehabilitation and home health services to patients in Baxter and Marion Counties, located in Arkansas, as well as its secondary service area of Ozark County, Missouri, and Izard and Fulton Counties, located in Arkansas. The System has a 51% ownership in BRMC Pain Center, LLC (Pain Center), a real estate holding company.

The System is also the sole member of the Hospital Development Foundation, Inc. (the Foundation), which is organized and operated exclusively for the benefit of the System and its nonprofit subsidiaries. The Medical Center is the sole member of Hospice of the Ozarks, Inc. (the Hospice), collectively referred to as "the Medical Center." All material intercompany accounts and transactions have been eliminated in the consolidated financial statements.

Noncontrolling Interest

Noncontrolling interest represents the 49% interest in the Pain Center owned by outside investors. Noncontrolling interest is presented as a component of unrestricted net assets and the changes in net asset attributable to the noncontrolling interest are included in the consolidated changes in net assets. Losses attributable to the noncontrolling interest are allocated to the noncontrolling interest even if the carrying amount of the noncontrolling interest is reduced below zero. Any changes in ownership that do not result in a loss of control are prospectively accounted for as a net asset transaction.

Changes in consolidated unrestricted net assets attributable to the controlling financial interest of the System and the noncontrolling interest are:

	Total	Controlling Interest	Noncontrolling Interest
Balance, January 1, 2013	\$ 82,766,125	\$ 82,766,125	\$ -
Excess of revenues over expenses	(764,036)	(793,890)	29,854
Investment return – change in unrealized gains and losses on other-than-trading securities	2,719,901	2,719,901	-
Capital contribution	9,880	-	9,880
Contributions of or for acquisition of property and equipment	1,382,457	1,382,457	-
Change in temporarily restricted net assets	1,468,235	1,468,235	-
Change in net assets	4,816,437	4,776,703	39,734
Balance, December 31, 2013	<u>\$ 87,582,562</u>	<u>\$ 87,542,828</u>	<u>\$ 39,734</u>

Baxter Regional Health System

Notes to Consolidated Financial Statements

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Use of Estimates

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

Cash and Cash Equivalents

The System considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2013 and 2012, cash equivalents consisted primarily of money market accounts with brokers.

At December 31, 2013, the System's cash accounts exceeded federally insured limits by approximately \$7,400,000.

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. The investment in equity investees is reported on the equity method of accounting. Other investments including guaranteed investment contracts and real estate held by the Medical Center are valued at the lower of cost (or fair value at time of donation, if acquired by contribution) or fair value. Real estate held by the Foundation is carried at fair value. Mutual funds are carried at fair market value and primarily consist of equity-based funds. Investment return includes dividend, interest and other investment income, realized and unrealized gains and losses on investments carried at fair value, and realized gains and losses on other investments.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in unrestricted net assets. Other investment return is reflected in the statements of operations and changes in net assets as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions.

Assets Limited as to Use

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

Baxter Regional Health System

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Patient Accounts Receivable

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the System analyzes its past history and identifies trends for each of its major payer sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for uncollectible accounts. Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

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

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the System records a significant provision for uncollectible accounts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible.

The difference between the standard rates (or the discounted rates if negotiated or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Supplies

The System states supply inventories at the lower of cost, determined using the first-in, first-out method, or market.

Property and Equipment

Property and equipment acquisitions are recorded at cost and are depreciated using the straight-line method over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives.

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

Land improvements	5–25 years
Buildings and leasehold improvements	15–40 years
Equipment	3–20 years

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

Deferred Financing Costs

Deferred financing costs represent costs incurred in connection with the issuance of long-term debt. Such costs are being amortized over the term of the respective debt using the effective interest method.

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. Unless otherwise specified by donor stipulation or law, losses on donor-restricted endowment funds are recognized as a decrease in temporarily restricted net assets to the extent that previous gains on investment securities of the fund remain in that class of net assets. Additional losses reduce unrestricted net assets. Subsequent gains on donor-restricted endowment funds restoring the fund to required levels are reported as increases in unrestricted net assets.

Net Patient Service Revenue

The System has agreements with third-party payers that provide for payments to the System at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered and includes estimated retroactive revenue adjustments. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such estimated amounts are revised in future periods as adjustments become known.

Charity Care

The System provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Because the System does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as net patient service revenue.

Baxter Regional Health System
Notes to Consolidated Financial Statements
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Contributions

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

Gifts received with donor stipulations are reported as either temporarily or permanently restricted support. When a donor restriction expires, that is, when a time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified and reported as an increase in unrestricted net assets. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions. Conditional contributions are reported as liabilities until the condition is eliminated or the contributed assets are returned to the donor.

Professional Liability Claims

The System recognizes an accrual for claim liabilities based on estimated ultimate losses and costs associated with settling claims and a receivable to reflect the estimated insurance recoveries, if any. Professional liability claims are described more fully in *Note 6*.

Self-Insured Employee Health Claims

The System has elected to self-insure certain costs related to its employee health program. Costs resulting from noninsured losses are charged to income when incurred. An estimated accrual is made for claims incurred but not submitted for payment at year-end. Total expense for employee health insurance claims for the years ended December 31, 2013 and 2012, was \$10,848,616 and \$12,139,055, respectively.

Self-Insured Workers' Compensation Trust

The System has a self-insured workers' compensation trust for its employees. Claims against the trust are administered by an independent risk management firm. Claims are recorded as an expense as they are paid. An annual estimated provision is accrued for both reported claims and claims incurred but not reported. Funds maintained to pay future claims are included in the System's financial statements.

Baxter Regional Health System

Notes to Consolidated Financial Statements

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Income Taxes

The System, the Medical Center, the Foundation and the Hospice have been recognized as exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. As such, they are required to file IRS Form 990 on an annual basis. These entities are subject to federal income tax on any unrelated business taxable income.

The Pain Center is organized as an Arkansas limited liability company and treated as a partnership for income tax purposes. Taxable income or loss is reported to the individual members for inclusion in their respective tax returns. The System files tax returns in the U.S. federal jurisdiction. No provision for federal or state income taxes is included in the System's financial statements. The System and its subsidiaries are no longer subject to U.S. federal income tax examinations by tax authorities for income tax returns filed for years before 2010.

Excess (Deficiency) of Revenues over Expenses

The consolidated statements of operations include excess (deficiency) of revenues over expenses. Changes in unrestricted net assets that are excluded from excess (deficiency) of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments in other-than-trading securities and contributions of long-lived assets (including assets acquired using contributions that, by donor restriction, were to be used for the purpose of acquiring such assets) and capital contributions.

Transfers Between Fair Value Hierarchy Levels

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the period ending date.

Electronic Health Records Incentive Program

The Electronic Health Records Incentive Program, enacted as part of the *American Recovery and Reinvestment Act of 2009*, provides for one-time incentive payments under both the Medicare and Medicaid programs to eligible hospitals that demonstrate meaningful use of certified electronic health records technology (EHR). Payments under the Medicare program are generally made for up to four years based on a statutory formula. Payments under the Medicaid program are generally made for up to four years based upon a statutory formula, as determined by the state, which is approved by the Centers for Medicare & Medicaid Services. Payment under both programs is contingent on the hospital continuing to meet escalating meaningful use criteria and any other specific requirements that are applicable for the reporting period. The final amount for any payment year is determined based upon an audit by the fiscal intermediary. Events could occur that would cause the final amounts to differ materially from the initial payments under the program.

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

In 2013, the System completed the first-year requirements under both the Medicare and Medicaid programs and has recorded revenue of approximately \$2,680,000, which is included in other revenue within operating revenues in the statements of operations

Subsequent Events

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

Reclassifications

Certain reclassifications have been made to the 2012 financial statements to conform to the 2013 financial statement presentation. These reclassifications had no effect on the change in net assets

Note 2: Net Patient Service Revenue

The System recognizes patient service revenue associated with services provided to patients who have third-party payer coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, the System recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a significant portion of the System's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the System records a significant provision for uncollectible accounts related to uninsured patients in the period the services are provided. This provision for uncollectible accounts is presented on the statements of operations as a component of net patient service revenue.

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

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

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Medicaid—Inpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology subject to certain cost limitations. Outpatient services rendered to Medicaid beneficiaries are paid based on a fee schedule. The System is reimbursed for inpatient services at tentative rates with final settlement determined after submission of annual cost reports by the System and audits thereof by the Medicaid administrative contractor.

In addition, the System receives supplemental Medicaid funds under the Arkansas Medicaid program's Upper Payment Limit (UPL) provisions. The System is considered a private hospital under these provisions. Total funds received under the UPL provisions were approximately \$600,000 for the years ended December 31, 2013 and 2012.

Based on its status as a private hospital, the System participates in the Arkansas Medicaid provider assessment program. This program assesses a fee of no more than 5.5% on the net patient service revenue of private hospitals and allocates the proceeds to supplement Medicaid payments. The federal government matches the assessment amount at a rate of approximately 3 to 1, and these amounts are allocated to private hospitals in Arkansas based on each hospital's share of total Medicaid patients.

Amounts recorded as provider assessment tax expenses under this program for the years ended December 31, 2013 and 2012, was approximately \$1.9 million. Amounts recorded for the provider assessments receipts under this program for the years ended December 31, 2013 and 2012, were approximately \$4.8 million and \$4.9 million, respectively.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

The System also has 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.

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

	<u>2013</u>	<u>2012</u>
Medicare	\$ 82,347,742	\$ 84,662,617
Medicaid	8,631,543	8,812,607
Other third-party payers	62,405,519	63,906,626
Self-pay	<u>8,297,622</u>	<u>9,822,464</u>
Total	<u>\$ 161,682,426</u>	<u>\$ 167,204,314</u>

Baxter Regional Health System

Notes to Consolidated Financial Statements

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In 2012, the System received approximately \$1,800,000 net of \$200,000 in legal fees as part of a settlement with the U S Department of Health and Human Services. The settlement related to incorrect payment adjustments during the period of 1999–2011 and was recognized as net patient service revenue in 2012.

Note 3: Concentration of Credit Risk

The System grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payer agreements. The mix of receivables from patients and third-party payers at December 31, 2013 and 2012, is

	<u>2013</u>	<u>2012</u>
Medicare	39%	44%
Medicaid	3	4
Other third-party payers	47	44
Patients	<u>11</u>	<u>8</u>
	<u>100%</u>	<u>100%</u>

Baxter Regional Health System
Notes to Consolidated Financial Statements
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Note 4: Investments and Investment Return

Investments are reported in the consolidated balance sheets in the following captions and consist of the following

	2013	2012
Assets limited as to use		
Internally designated for capital improvements		
Cash and cash equivalents	\$ 1,361,049	\$ 3,016,532
Certificates of deposit	532,216	543,628
Equity securities	15,455,130	3,205,738
Equity exchange-traded funds	6,308,895	-
Fixed income exchange-traded funds	1,294,824	-
Commodities exchange-traded funds	867,408	-
Corporate debt securities	7,455,001	7,650,901
Equity mutual funds	2,446,918	19,636,004
Fixed income mutual funds	5,712,961	5,818,350
Real estate	250,000	1,260,445
Interest receivable	117,578	92,029
	<u>41,801,980</u>	<u>41,223,627</u>
Externally restricted by donors		
Cash and cash equivalents	346,559	442,648
Equity mutual funds	556,683	2,541,084
Equity exchange-traded funds	1,505,606	-
Fixed Income exchange-traded funds	330,990	-
Commodities exchange-traded funds	102,172	-
Real estate	1,359,308	1,414,245
Equity securities	7,591,766	5,848,151
Other	513,278	512,489
	<u>12,306,362</u>	<u>10,758,617</u>
Held by trustee under indenture agreement		
Guaranteed investment contract	5,594,063	5,594,062
U S Treasury obligations fund	5,466,932	6,499,208
Interest receivable	118,275	117,299
	<u>11,179,270</u>	<u>12,210,569</u>
Other		
Certificates of deposit	<u>200,000</u>	<u>200,000</u>

Baxter Regional Health System
Notes to Consolidated Financial Statements
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	<u>2013</u>	<u>2012</u>
Other investments		
Equity securities	\$ 7,492,153	\$ 5,993,942
Equity mutual funds	515,527	598,172
Certificates of deposit	954,687	689,473
Corporate debt securities	111,194	-
Real estate	60,000	-
	<u>9,133,561</u>	<u>7,281,587</u>
Less long-term investments	<u>497,952</u>	<u>-</u>
Short-term investments	<u>8,635,609</u>	<u>7,281,587</u>
Total System investments	<u><u>\$ 74,621,173</u></u>	<u><u>\$ 71,674,400</u></u>

Total investment return is comprised of the following

	<u>2013</u>	<u>2012</u>
Interest and dividend income	\$ 2,363,338	\$ 1,697,303
Realized and unrealized gains on other-than-trading securities	<u>7,070,751</u>	<u>3,422,299</u>
	<u><u>\$ 9,434,089</u></u>	<u><u>\$ 5,119,602</u></u>

Total investment return is reflected in the statements of operations and changes in net assets as follows

	<u>2013</u>	<u>2012</u>
Unrestricted net assets		
Other operating revenue	\$ 566,846	\$ 264,952
Other nonoperating income	4,118,949	3,097,608
Change in unrealized gains and losses on other-than-trading securities	2,719,901	1,052,644
Temporarily restricted net assets	<u>2,028,393</u>	<u>704,398</u>
	<u><u>\$ 9,434,089</u></u>	<u><u>\$ 5,119,602</u></u>

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At December 31, 2013, and 2012, the System's real estate investments included real estate located in Mountain Home, Arkansas, and Branson, Missouri, with a carrying value of \$1,669,308 and \$2,674,690, respectively. As part of its practice of periodically challenging the value of its holdings, management obtained a revised appraisal of the Branson property and, as a result, recorded an impairment of \$950,445 in 2013.

Certain investments in debt and marketable equity securities are reported in the financial statements at an amount less than their historical cost. Total fair value of these investments at December 31, 2013 and 2012, was \$17,882,493 and \$16,242,603, respectively, which is approximately 24% and 22%, respectively, of the System's investment portfolio. These declines primarily resulted from failure of certain investments to maintain consistent credit quality ratings or meet projected earnings targets and overall financial market performance.

Management believes the declines in fair value for these securities are temporary because the declines are due to changes in the market conditions and not credit deterioration for the individual companies. The System expects the temporarily impaired debt securities to recover value as they near maturity. The System's investments in marketable equity securities consist of mutual funds and common stock in companies from a diverse range of industries. Based on the System's ability and intent to hold those investments for a reasonable period of time sufficient for a forecasted recovery of fair value, the System does not consider those investments to be other-than-temporarily impaired at December 31, 2013.

Should the impairment of any of these securities become other than temporary, the cost basis of the investment will be reduced and the resulting loss recognized in excess of revenues over expenses in the period the other-than-temporary impairment is identified. The System routinely conducts periodic reviews to identify and evaluate each investment security to determine whether an other-than-temporary impairment has occurred.

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The following table shows the System's investments' gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at December 31, 2013 and 2012

Description of Securities	December 31, 2013					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Debt securities	\$ 3,837,993	\$ 149,013	\$ 5,223,656	\$ 300,329	\$ 9,061,649	\$ 449,342
Equity securities	8,179,819	642,935	641,025	21,767	8,820,844	664,702
Total temporarily impaired securities	<u>\$12,017,812</u>	<u>\$ 791,948</u>	<u>\$ 5,864,681</u>	<u>\$ 322,096</u>	<u>\$17,882,493</u>	<u>\$ 1,114,044</u>

Description of Securities	December 31, 2012					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Debt securities	\$ 7,327,304	\$ 77,144	\$ 457,500	\$ 42,500	\$ 7,784,804	\$ 119,644
Equity securities	8,003,114	126,454	454,685	85,410	8,457,799	211,864
Total temporarily impaired securities	<u>\$15,330,418</u>	<u>\$ 203,598</u>	<u>\$ 912,185</u>	<u>\$ 127,910</u>	<u>\$16,242,603</u>	<u>\$ 331,508</u>

Note 5: Investments in and Advances to Equity Investees

The investments in and advances to equity investees relate to a 37% ownership of Renal Center of Mountain Home, LLC, which provides dialysis services to area residents and a 50% ownership of Physician-Hospital Organization, which provides medical credentialing services to the Medical Center

Note 6: Professional Liabilities Claims

The System is self-insured for the first \$250,000 per occurrence and \$750,000 in aggregate for medical malpractice risks. The System purchases commercial insurance coverage above the self-insurance limits for the next \$1,000,000 per occurrence and \$3,000,000 in aggregate of medical malpractice risks.

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Professional liability reserve estimates represent the estimated ultimate cost of all reported and unreported losses incurred through the respective dates of the consolidated balance sheets. The reserve for unpaid losses and loss expenses are estimated using individual case-basis valuations. Those estimates are subject to the effects of trends in loss severity and frequency. The estimates are continually reviewed, and adjustments are recorded as experience develops or new information becomes known. The time period required to resolve these claims can vary depending upon whether the claim is settled or litigated. The estimation of the timing of payments beyond a year can vary significantly. Although considerable variability is inherent in professional liability reserve estimates, management believes the reserves for losses and loss expenses are adequate based on information currently known. It is reasonably possible that this estimate could change materially in the near term.

Based upon the System's claim experience, \$1,452,896 and \$1,187,372 were accrued as of December 31, 2013 and 2012, respectively. It is reasonably possible that these estimates could change materially in the near term.

Activity in the System's accrued medical malpractice claims liability during 2013 and 2012 is summarized as follows:

	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$ 1,187,372	\$ 1,860,586
Current year claims incurred and changes in estimates for claims incurred in prior years	751,761	(593,845)
Claims and expenses paid	<u>(486,237)</u>	<u>(79,369)</u>
Balance, end of year	<u><u>\$ 1,452,896</u></u>	<u><u>\$ 1,187,372</u></u>

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Notes to Consolidated Financial Statements
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Note 7: Long-term Debt

	<u>2013</u>	<u>2012</u>
Revenue bonds (A)	\$ 25,000	\$ 50,000
Revenue refunding bonds (B)	37,925,000	38,475,000
Revenue refunding bonds (C)	19,780,000	21,890,000
Revenue refunding bonds (D)	5,565,000	5,810,000
Installment note payable (E)	4,670,573	5,559,329
Note payable (F)	2,596,747	-
Note payable (G)	264,042	-
	<u>70,826,362</u>	<u>71,784,329</u>
Less current maturities	(4,068,553)	(3,818,756)
Plus bond premium	<u>266,080</u>	<u>291,120</u>
	<u><u>\$ 67,023,889</u></u>	<u><u>\$ 68,256,693</u></u>

- (A) The Revenue Bonds (the Original Bonds) consist of Tax-exempt Revenue Bonds in the original amount of \$80,430,000 dated May 1, 1999, which bore interest at rates ranging from 3.800% to 5.625%. Interest is due semiannually on March 1 and September 1. All outstanding maturities of the Original Bonds with the exception of \$100,000 were refunded on August 1, 2010, with funds from securities deposited into an irrevocable escrow established upon issuance and delivery of the Revenue Refunding Bonds (see (C) below). The remaining principal balance will be paid off evenly throughout the next four years at an annual rate of 5.375%.

Baxter County, Arkansas (the County), issued the Original Bonds on behalf of the Medical Center. The Original Bonds were secured by substantially all of the Medical Center's property and equipment. The Original Bonds were not guaranteed by the County.

The indenture agreement requires that certain funds be established with the trustee. Accordingly, these funds are included as assets limited as to use held by trustee in the financial statements. The indenture agreement also requires the Medical Center to comply with certain restrictive covenants including minimum insurance coverage, maintaining a debt-service coverage ratio of at least 115% and restrictions on incurrence of additional debt and transfers of assets.

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- (B) The Revenue Refunding Bonds (the Supplemental Bonds) consist of Tax-exempt Revenue Bonds in the original amount of \$39,980,000 dated February 1, 2007, which bear interest at rates ranging from 4 1/2% to 5 000%. The Supplemental Bonds are payable in annual installments through September 1, 2028. Interest is due semiannually on March 1 and September 1. The Medical Center is required to make monthly deposits to the debt service funds of approximately \$200,000. All of the Supplemental Bonds still outstanding may be redeemed at the Medical Center's option on or after September 1, 2016. The redemption price is equal to the outstanding principal amount thereof, plus accrued interest to the date fixed for redemption.

Baxter County, Arkansas, issued the Supplemental Bonds on behalf of the Medical Center. The Supplemental Bonds are secured by substantially all of the Medical Center's property and equipment and were issued on parity with the Original Bonds described in (A). The Supplemental Bonds have not been guaranteed by the County.

Certain indenture requirements for the Supplemental Bonds are shared with the Original Bonds. See discussion of those requirements in (A).

- (C) The Revenue Refunding Bonds (the Refunding Bonds) consist of Tax-exempt Revenue Bonds in the original amount of \$25,865,000 dated August 1, 2010, which bear interest at rates ranging from 3 000% to 4 375%. The Refunding Bonds are payable in annual installments through September 1, 2021. Interest is due semiannually on March 1 and September 1. The Medical Center is required to make monthly deposits to the debt service funds of approximately \$242,000. All of the Refunding Bonds still outstanding may be redeemed at the Medical Center's option on or after September 1, 2016. The redemption price is equal to the outstanding principal amount thereof, plus accrued interest to the date fixed for redemption.

Baxter County, Arkansas, issued the Refunding Bonds on behalf of the Medical Center. The Refunding Bonds are secured by substantially all of the Medical Center's property and equipment and were issued on parity with the Original Bonds and the Supplemental Bonds described in (A) and (B), respectively. The Refunding Bonds have not been guaranteed by the County.

Certain indenture requirements for the Refunding Bonds are shared with the Original Bonds. See discussion of those requirements in (A).

- (D) The Revenue Improvement Bonds (the Improvement Bonds) consist of Tax-exempt Revenue Bonds Series 2012A in the original amount of \$5,765,000 and Taxable Subordinate Series 2012B in the original amount of \$45,000 dated October 1, 2012, which bear interest at rates ranging from 1 250% to 4 400%. The 2012A Improvement Bonds are payable in annual installments through September 1, 2032, and the 2012B Improvement Bonds were due September 1, 2013. Interest is due semiannually on March 1 and September 1.

Baxter County, Arkansas (the County), issued the Bonds on behalf of the Medical Center and are secured by substantially all of the Medical Center's property and equipment. The Bonds are not guaranteed by the County.

Baxter Regional Health System

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Certain indenture requirements for the Improvement Bonds are shared with the Original Bonds. See discussion of those requirements in (A).

- (E) Due November 29, 2018, to Banc of America Public Capital Corp. monthly payments are approximately \$84,000 including interest of 2.24%. The proceeds were used for the purchase of certain specified capital equipment that is required to serve as collateral.
- (F) Due October 1, 2018, 59 monthly payments of \$14,532 including interest of 2.99% and one balloon payment of \$2,108,361, secured by BRMC Pain Center LLC's building and land. In addition, the System has guaranteed the debt.
- (G) Due October 1, 2018, monthly payments are \$4,900 including interest of 2.99%, secured by BRMC Pain Center LLC's equipment.

Aggregate annual maturities and sinking fund requirements of long-term debt at December 31, 2013, are:

2014	\$ 4,068,553
2015	4,178,602
2016	4,309,289
2017	4,440,580
2018	6,564,338
Thereafter	<u>47,265,000</u>
	<u><u>\$ 70,826,362</u></u>

Baxter Regional Health System
Notes to Consolidated Financial Statements
December 31, 2013 and 2012

Note 8: Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods

	2013	2012
Scholarships	\$ 2,066,291	\$ 1,181,161
Purchase of equipment	186,382	184,731
Indigent care	95,681	59,045
For periods after December 31, 2013 and 2012	<u>2,070,664</u>	<u>1,525,846</u>
	<u><u>\$ 4,419,018</u></u>	<u><u>\$ 2,950,783</u></u>

During 2013 and 2012, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes in the amounts of \$642,753 and \$233,419, respectively

Permanently restricted net assets are restricted to investments to be held in perpetuity, the income of which is restricted to the following purposes

	2013	2012
Scholarships	\$ 5,372,162	\$ 5,372,162
Community health needs	1,848,319	1,848,319
Indigent care	<u>98,705</u>	<u>98,705</u>
	<u><u>\$ 7,319,186</u></u>	<u><u>\$ 7,319,186</u></u>

Note 9: Endowment

The System's endowment consists of approximately eight individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The System's governing body has interpreted the State of Arkansas Prudent Management of Institutional Funds Act (SPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

Baxter Regional Health System

Notes to Consolidated Financial Statements

December 31, 2013 and 2012

As a result of this interpretation, the System classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts donated to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of donor-restricted endowment funds is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the System in a manner consistent with the standard of prudence prescribed by SPMIFA.

In accordance with SPMIFA, the System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1 Duration and preservation of the fund
- 2 Purposes of the System and the fund
- 3 General economic conditions
- 4 Possible effect of inflation and deflation
- 5 Expected total return from investment income and appreciation or depreciation of investments
- 6 Other resources of the System
- 7 Investment policies of the System

The composition of net assets by type of endowment fund at December 31, 2013 and 2012, was:

2013				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 2,199,367	\$ 7,319,186	\$ 9,518,553
Board-designated endowment funds	184,051	-	-	184,051
Total endowment funds	<u>\$ 184,051</u>	<u>\$ 2,199,367</u>	<u>\$ 7,319,186</u>	<u>\$ 9,702,604</u>

2012				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 1,010,469	\$ 7,319,186	\$ 8,329,655
Board-designated endowment funds	145,844	-	-	145,844
Total endowment funds	<u>\$ 145,844</u>	<u>\$ 1,010,469</u>	<u>\$ 7,319,186</u>	<u>\$ 8,475,499</u>

Baxter Regional Health System
Notes to Consolidated Financial Statements
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Changes in endowment net assets for the years ended December 31, 2013 and 2012, were

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 145,844	\$ 1,010,469	\$ 7,319,186	\$ 8,475,499
Investment return				
Investment income	28,329	297,067	-	325,396
Net appreciation	10,160	1,259,848	-	1,270,008
Total investment return	38,489	1,556,915	0	1,595,404
Contributions	10,400	-	-	10,400
Appropriation of endowment assets for expenditure	(10,682)	(368,017)	-	(378,699)
Endowment net assets, end of year	<u>\$ 184,051</u>	<u>\$ 2,199,367</u>	<u>\$ 7,319,186</u>	<u>\$ 9,702,604</u>

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 135,263	\$ 707,047	\$ 7,319,186	\$ 8,161,496
Investment return				
Investment income	24,608	191,080	-	215,688
Net appreciation	5,159	336,846	-	342,005
Total investment return	29,767	527,926	0	557,693
Contributions	10,450	-	-	10,450
Appropriation of endowment assets for expenditure	(29,636)	(224,504)	-	(254,140)
Endowment net assets, end of year	<u>\$ 145,844</u>	<u>\$ 1,010,469</u>	<u>\$ 7,319,186</u>	<u>\$ 8,475,499</u>

Baxter Regional Health System

Notes to Consolidated Financial Statements

December 31, 2013 and 2012

Amounts of donor-restricted endowment funds classified as permanently and temporarily restricted net assets at December 31, 2013 and 2012, consisted of

	<u>2013</u>	<u>2012</u>
Permanently restricted net assets – portion of perpetual endowment funds required to be retained permanently by explicit donor stipulation or SPMIFA	<u>\$ 7,319,186</u>	<u>\$ 7,319,186</u>
Temporarily restricted net assets – with purpose restrictions	<u>\$ 2,199,367</u>	<u>\$ 1,010,469</u>

From time to time, fair value of assets associated with individual donor-restricted endowment funds may fall below the level the System is required to retain as a fund of perpetual duration pursuant to donor stipulation or SPMIFA. There were no such deficiencies at December 31, 2013 and 2012.

The System has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds the System must hold in perpetuity or for donor-specified periods, as well as those of board-designated endowment funds.

To satisfy its long-term rate of return objectives, the System relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). The System targets a diversified asset allocation that places a greater emphasis on certificates of deposit and mutual fund investments to achieve its long-term return objectives within prudent risk constraints.

The System has various spending policies that govern expenditures of investment returns on endowment funds. Spending policies for donor-restricted endowments are based on the purpose restrictions placed on any proceeds from endowment funds and generally specify a fixed amount of spending each year. Spending policies related to board-designated endowment funds vary based on the goals set for each endowment fund, but are generally designed to support the endowment's short-term goals while allowing sufficient reinvestment to appreciate each fund.

Baxter Regional Health System

Notes to Consolidated Financial Statements

December 31, 2013 and 2012

Note 10: Charity Care

In support of its mission, the System voluntarily provides free care to patients who lack financial resources and are deemed to be medically indigent. Because the System does not pursue collection of amounts determined to qualify as charity care, they are not reported in net patient service revenue. In addition, the System provides services to other medically indigent patients under certain government-reimbursed public aid programs. Such programs pay providers amounts that are less than established charges for the services provided to the recipients, and many times the payments are less than the cost of rendering the services provided. Uncompensated charges relating to these services were \$9,411,044 and \$9,739,141 for the years ended December 31, 2013 and 2012, respectively. Management estimates that cost relating to these services was approximately \$3,316,000 and \$3,665,000 for the years ended December 31, 2013 and 2012, respectively, using a Medicare-based reasonable costs methodology.

In addition to uncompensated charges, the System also commits significant time and resources to endeavors and critical services that meet otherwise unfilled community needs. Many of these activities are sponsored with the knowledge that they will not be self-supporting or financially viable. Such programs include health screening and assessments, prenatal education and care, community educational services and various support groups.

Note 11: Functional Expenses

The System provides health care services primarily to residents within its geographic area. Expenses related to providing these services are as follows:

	<u>2013</u>	<u>2012</u>
Health care services	\$ 142,514,025	\$ 142,893,586
General and administrative	<u>17,770,802</u>	<u>19,128,716</u>
	<u>\$ 160,284,827</u>	<u>\$ 162,022,302</u>

Note 12: Operating Leases

The System leases equipment under various lease agreements. Total rent and lease expense was \$1,572,778 and \$1,617,567 for the years ended December 31, 2013 and 2012, respectively.

Baxter Regional Health System
Notes to Consolidated Financial Statements
December 31, 2013 and 2012

Note 13: Pension Plan

The System has a defined contribution pension plan covering substantially all employees. An employee who chooses to participate in the plan must make a minimum contribution of 2% of their salary during their first through third year of service, 2.5% during their fourth through fifth year of service and 3% after five years of service in order to receive a matching contribution from the System. The System's matching contribution is 3%, 3.5% and 4% of the participant's salary during each of these time periods, respectively. Employees are 100% vested in the portion of their account accumulated from their contributions to the plan. Employees become fully vested in matching contributions after three years of service. Total pension expense, net of forfeitures utilized, for the years ended December 31, 2013 and 2012, was \$1,690,616 and \$1,701,944, respectively.

Note 14: Disclosures About Fair Value of Assets and Liabilities

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

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Baxter Regional Health System
Notes to Consolidated Financial Statements
December 31, 2013 and 2012

Recurring Measurements

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

		2013		
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2013				
Money market funds	\$ 2,255,056	\$ 2,255,056	\$ -	\$ -
Fixed income mutual funds	5,712,961	5,712,961	-	-
Equity mutual funds	3,519,128	3,519,128	-	-
Equity securities	30,539,049	30,539,049	-	-
Equity exchange-traded funds	7,814,501	7,814,501	-	-
Fixed income exchange-traded funds	1,625,814	1,625,814	-	-
Commodities exchange-traded funds	969,580	969,580	-	-
U S Treasury obligations	5,466,932	5,466,932	-	-
Corporate debt securities	7,566,195	-	7,566,195	-
Beneficial interest in charitable remainder trusts	513,278	-	-	513,278
Real estate held by the Foundation	1,419,308	-	-	1,419,308
Total	\$ 67,401,802	\$ 57,903,021	\$ 7,566,195	\$ 1,932,586
		2012		
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2012				
Money market funds	\$ 1,254,634	\$ 1,254,634	\$ -	\$ -
Fixed income mutual funds	5,818,350	5,818,350	-	-
Equity mutual funds	22,775,260	22,775,260	-	-
Equity securities	15,047,831	15,047,831	-	-
U S Treasury obligations	6,499,208	6,499,208	-	-
Corporate debt securities	7,650,901	-	7,650,901	-
Beneficial interest in charitable remainder trusts	512,489	-	-	512,489
Real estate held by the Foundation	1,474,245	-	-	1,474,245
Total	\$ 61,032,918	\$ 51,395,283	\$ 7,650,901	\$ 1,986,734

Baxter Regional Health System

Notes to Consolidated Financial Statements

December 31, 2013 and 2012

The only significant concentration at December 31, 2013, was the approximately 36% of the System's equity securities that were issued by energy sector companies. The System did not have any concentration in its equity securities or equity mutual funds in 2012.

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying balance sheets, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2013. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3. See the table below for inputs and valuation techniques used for Level 3 securities.

Fair value determinations for Level 3 measurements of real estate held by the Foundation and beneficial interests in charitable remainder trusts are the responsibility of the controller's office. The controller's office contracts with a certified appraiser to generate fair value estimates for real estate upon purchases or when conditions indicate that previous measurements may no longer be reasonable. Management evaluates these conditions no less frequently than annually. The controller's office challenges the reasonableness of the assumptions used and reviews the methodology to ensure the estimated fair value complies with accounting standards generally accepted in the United States. The controller's office determines the fair value estimates of beneficial interests in charitable remainder trusts based on a discounted cash flow model.

Baxter Regional Health System
Notes to Consolidated Financial Statements
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The following is a reconciliation of investments carried at fair value and the System's total investments

	2013	2012
Financial instruments carried at fair value	\$ 67,401,802	\$ 61,032,918
Financial instruments not carried at fair value		
Cash and cash equivalents	1,707,608	4,002,808
Guaranteed investment contract	5,594,063	5,594,062
Real estate held by the Medical Center	250,000	1,200,445
Certificates of deposit	1,686,903	889,473
Interest receivable	235,853	209,328
Money market funds classified as cash	(2,255,056)	(1,254,634)
Total System investments	<u>\$ 74,621,173</u>	<u>\$ 71,674,400</u>

Level 3 Reconciliation

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying balance sheets using significant unobservable (Level 3) inputs

	2013	2012
Balance, beginning of year	\$ 1,986,734	\$ 1,614,641
Purchases	17,991	309,130
Total realized and unrealized gains and losses included in change in net assets	<u>(72,139)</u>	<u>62,963</u>
Balance, end of year	<u>\$ 1,932,586</u>	<u>\$ 1,986,734</u>

Baxter Regional Health System

Notes to Consolidated Financial Statements

December 31, 2013 and 2012

Unobservable (Level 3) Inputs

The following table presents quantitative information about unobservable inputs used in recurring (Level 3) fair value measurements

	Fair Value at 12/31/2013	Valuation Technique	Unobservable Inputs	Range (Weighted Average)
Beneficial interest in charitable remainder trusts	\$ 513,278	Discounted cash flow	Life expectancy of the beneficiary Expected rate of return	(7.1–10.2) years (8.7 years) 2.0% (2.0%)
Real estate	\$1,419,308	Estimated based on comparable real estate transactions	Comparable real estate transactions	Various

Sensitivity of Significant Unobservable Inputs

The following is a discussion of the sensitivity of significant unobservable inputs, the interrelationships between those inputs and other unobservable inputs used in recurring fair value measurement and of how those inputs might magnify or mitigate the effect of changes in the unobservable inputs on the fair value measurement

Beneficial interest in charitable remainder trusts

The significant unobservable inputs used in the fair value measurement of the System's beneficial interest in charitable remainder trusts are life expectancy of the beneficiaries and expected rates of return. Significant increases (decreases) in any of those inputs in isolation would result in a significantly lower (higher) fair value measurement. Those inputs are not interrelated.

Real estate

The significant unobservable input used in the fair value measurement of the System's real estate investment is comparable real estate transactions. Significant increases (decreases) in this input would result in a significantly higher (lower) fair value measurement.

Baxter Regional Health System

Notes to Consolidated Financial Statements

December 31, 2013 and 2012

Fair Value of Financial Instruments

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

2013				
Fair Value Measurements Using				
Carrying Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Financial assets				
Cash and cash equivalents	\$ 11,812,718	\$ 11,812,718	\$ -	\$ -
Certificates of deposit	1,686,903	1,686,903	-	-
Equity securities	30,539,049	30,539,049	-	-
Corporate debt securities	7,566,195	-	7,566,195	-
Equity mutual funds	3,519,128	3,519,128	-	-
Equity exchange-traded funds	7,814,501	7,814,501	-	-
Fixed income exchange-traded funds	1,625,814	1,625,814	-	-
Commodities exchange-traded funds	969,580	969,580	-	-
Fixed income mutual funds	5,712,961	5,712,961	-	-
Real estate	1,669,308	-	-	1,669,308
Interest receivable	235,853	235,853	-	-
Guaranteed investment contract	5,594,063	-	5,594,063	-
U S Treasury obligations fund	5,466,932	5,466,932	-	-
Beneficial interest in charitable remainder trusts	513,278	-	-	513,278
Financial liabilities				
Long-term debt	70,826,362	-	70,869,327	-
2012				
Fair Value Measurements Using				
Carrying Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Financial assets				
Cash and cash equivalents	\$ 14,100,890	\$ 14,100,890	\$ -	\$ -
Certificates of deposit	889,473	889,473	-	-
Equity securities	15,047,831	15,047,831	-	-
Corporate debt securities	7,650,901	-	7,650,901	-
Equity mutual funds	22,775,260	22,775,260	-	-
Fixed income mutual funds	5,818,350	5,818,350	-	-
Real estate	2,674,690	-	-	2,674,690
Interest receivable	209,328	209,328	-	-
Guaranteed investment contract	5,594,062	-	5,594,062	-
U S Treasury obligations fund	6,499,208	6,499,208	-	-
Beneficial interest in charitable remainder trusts	512,489	-	-	512,489
Financial liabilities				
Long-term debt	72,075,449	-	73,590,591	-

Baxter Regional Health System
Notes to Consolidated Financial Statements
December 31, 2013 and 2012

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

Cash, Cash Equivalents, Certificates of Deposits, Guaranteed Investment Contracts and Interest Receivable

The carrying amount approximates fair value

Notes Payable and Long-term Debt

Fair value is estimated based on the borrowing rates currently available to the System for bank loans with similar terms and maturities

Real Estate Held by the Medical Center

Historical cost approximates fair value

Note 15: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Allowance for Net Patient Service Revenue Adjustments

Estimates of allowances for adjustments included in net patient service revenue are described in *Notes 1 and 2*

Professional Liability Claims

Estimates related to the accrual for medical malpractice claims are described in *Notes 1 and 6*

Self-Insured Employee Health Claims

Estimates related to the accrual for self-insured employee health claims are described in *Note 1*

Baxter Regional Health System

Notes to Consolidated Financial Statements

December 31, 2013 and 2012

Litigation

In the normal course of business, the System is, from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in areas not covered by the System's commercial insurance, for example, allegations regarding employment practices or performance of contracts. The System evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of counsel, management records an estimate of the amount of ultimate expected loss, if any, for each of these matters.

As of December 31, 2013 and 2012, the System did not record an estimated loss. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

Self-Reported Medicare Billing Violation

During 2011, the System disclosed to the Centers for Medicare & Medicaid Services (CMS) a violation of physician self-referral laws relating to a lack of signed contracts with three staff psychiatrists. Although the System believes that the physicians were paid fair market value for their services, a technical violation occurred because no contract was signed. As of the date of this report, CMS has accepted the System into its self-disclosure protocol and requested additional information. No final determination has been reached. No provision has been made in the financial statements for any adverse outcome that might ultimately result from this matter, as the amount of any such loss is not reasonably estimable. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

Investments

The System invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying balance sheets.

Note 16: Related Parties

A member of the Foundation's board of directors has a partial ownership interest in a financial institution managing approximately \$1 million of the System's investments and holding approximately \$4.4 million of the System's deposits as of December 31, 2013.

Baxter Regional Health System

Notes to Consolidated Financial Statements

December 31, 2013 and 2012

Note 17: Letter of Credit

In order to provide a reserve for malpractice and workers' compensation deductibles, the System has obtained a letter of credit (Letter), which expires June 8, 2014. The amount available for withdrawal is approximately \$1,422,000. As of December 31, 2013 and 2012, no amounts were drawn on the Letter.

Note 18: Information Systems Agreement

On November 30, 2000, the System entered into an agreement with Cerner Corporation for certain proprietary software, support and remote hosting services. The System records liabilities relating to this agreement as they become due and assets or services as they are received. Under this agreement and subsequent related agreements, the System paid and expensed approximately \$2.5 million and \$2.9 million in 2013 and 2012, respectively, and anticipates paying approximately \$2.6 million in 2014. The agreement can be terminated by either party with 365 days' notice.

Note 19: Patient Protection and Affordable Care Act

The *Patient Protection and Affordable Care Act* (PPACA) will substantially reform the United States health care system. The legislation impacts multiple aspects of the health care system, including many provisions that change payments from Medicare, Medicaid and insurance companies.

Starting in 2014, the legislation requires the establishment of health insurance exchanges, which will provide individuals without employer-provided health care coverage the opportunity to purchase insurance. It is anticipated that some employers currently offering insurance to employees will opt to have employees seek insurance coverage through the insurance exchanges.

It is possible that the reimbursement rates paid by insurers participating in the insurance exchanges may be substantially different than rates paid under current health insurance products. Another significant component of PPACA is the expansion of the Medicaid program to a wide range of newly eligible individuals. In anticipation of this expansion, payments under certain existing programs, such as Medicare disproportionate share, will be substantially decreased. Each state's participation in an expanded Medicaid program is optional. While the State of Arkansas has enacted a form of Medicaid expansion through private insurance companies, how that will affect provider reimbursement remains unclear.

PPACA is extremely complex and may be difficult for the federal government and each state to implement. While the overall impact of PPACA cannot currently be estimated, it is possible that it will have a negative impact on the System's net patient service revenue. Additionally, it is possible the System will experience payment delays and other operational challenges during PPACA's implementation.

Supplementary Information

Baxter Regional Health System
Consolidating Schedule – Balance Sheet Information
December 31, 2013

Assets	Baxter County Regional Hospital, Inc.	Hospice of the Ozarks, Inc.	Hospital Development Foundation, Inc.
Current Assets			
Cash and cash equivalents	\$ 7,152,582	\$ 2,587,973	\$ 254,263
Short-term investments	-	7,274,771	1,360,838
Assets limited as to use – current	1,987,820	-	-
Patient accounts receivable, net	18,849,311	304,146	-
Supplies	6,561,065	-	-
Prepaid expenses and other	1,549,618	4,286	803,064
Estimated amounts due from third-party payers	801,466	-	-
Due from affiliates	371,044	-	-
	<hr/>	<hr/>	<hr/>
Total current assets	37,272,906	10,171,176	2,418,165
	<hr/>	<hr/>	<hr/>
Assets Limited as to Use			
Internally designated for capital improvements	41,726,958	75,022	-
Externally restricted by donors	193,770	-	12,112,592
Held by trustee under indenture agreement	11,179,270	-	-
Other	200,000	-	-
	<hr/>	<hr/>	<hr/>
	53,299,998	75,022	12,112,592
Less amount required to meet current obligations	1,987,820	-	-
	<hr/>	<hr/>	<hr/>
	51,312,178	75,022	12,112,592
	<hr/>	<hr/>	<hr/>
Investments in and Advances to Equity Investees	320,937	-	-
	<hr/>	<hr/>	<hr/>
Property and Equipment, at Cost			
Land and land improvements	6,421,716	53,455	338,000
Buildings and leasehold improvements	65,436,305	2,086,792	-
Equipment	111,785,647	1,492,315	33,314
Construction in progress	1,778,722	-	-
	<hr/>	<hr/>	<hr/>
	185,422,390	3,632,562	371,314
Less accumulated depreciation	124,905,242	1,709,848	24,266
	<hr/>	<hr/>	<hr/>
	60,517,148	1,922,714	347,048
	<hr/>	<hr/>	<hr/>
Other Assets			
Deferred financing costs, net	458,724	-	-
Long-term investments	-	437,952	60,000
Other	29,515	57,434	28,890
	<hr/>	<hr/>	<hr/>
	488,239	495,386	88,890
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 149,911,408</u>	<u>\$ 12,664,298</u>	<u>\$ 14,966,695</u>

Baxter Regional Health System	BRMC Pain Center, LLC	Eliminations	Consolidated
\$ -	\$ 110.292	\$ -	\$ 10.105.110
-	-	-	8.635.609
-	-	-	1.987.820
-	-	-	19.153.457
-	-	-	6.561.065
-	136	-	2.357.104
-	-	-	801.466
-	-	(371.044)	0
0	110.428	(371.044)	49.601.631
-	-	-	41.801.980
-	-	-	12.306.362
-	-	-	11.179.270
-	-	-	200.000
0	0	0	65.487.612
-	-	-	1.987.820
0	0	0	63.499.792
41.355	-	(41.355)	320.937
-	630.000	-	7.443.171
-	1.984.493	-	69.507.590
-	272.201	-	113.583.477
-	-	-	1.778.722
0	2.886.694	0	192.312.960
-	36.053	-	126.675.409
0	2.850.641	0	65.637.551
-	-	-	458.724
-	-	-	497.952
-	-	-	115.839
0	0	0	1.072.515
\$ 41.355	\$ 2.961.069	\$ (412.399)	\$ 180.132.426

Liabilities and Net Assets

Liabilities and Net Assets	Baxter County Regional Hospital, Inc.	Hospice of the Ozarks, Inc.	Hospital Development Foundation, Inc.
Current Liabilities			
Current maturities of long-term debt	\$ 3,918,838	\$ -	\$ -
Accounts payable	6,684,753	-	568,158
Accrued expenses	8,611,227	-	-
Accrued interest	915,650	-	-
Estimated amounts due to third-party payers	4,658,443	-	-
Due to affiliate	-	251,169	109,875
Total current liabilities	24,788,911	251,169	678,033
Long-term Debt	64,312,815	-	-
Total liabilities	89,101,726	251,169	678,033
Net Assets			
Unrestricted			
Baxter Regional Health System	60,615,912	12,413,129	2,744,228
Noncontrolling interest	-	-	-
Total unrestricted net assets	60,615,912	12,413,129	2,744,228
Temporarily restricted	188,770	-	4,230,248
Permanently restricted	5,000	-	7,314,186
Total net assets	60,809,682	12,413,129	14,288,662
Total liabilities and net assets	\$ 149,911,408	\$ 12,664,298	\$ 14,966,695

Baxter Regional Health System	BRMC Pain Center, LLC	Eliminations	Consolidated
\$ -	\$ 149,715	\$ -	\$ 4,068,553
-	-	-	7,252,911
-	19,191	-	8,630,418
-	-	-	915,650
-	-	-	4,658,443
10,000	-	(371,044)	0
10,000	168,906	(371,044)	25,525,975
-	2,711,074	-	67,023,889
10,000	2,879,980	(371,044)	92,549,864
31,355	41,355	(41,355)	75,804,624
-	39,734	-	39,734
31,355	81,089	(41,355)	75,844,358
-	-	-	4,419,018
-	-	-	7,319,186
31,355	81,089	(41,355)	87,582,562
\$ 41,355	\$ 2,961,069	\$ (412,399)	\$ 180,132,426

Baxter Regional Health System
Consolidating Schedule – Statement of Operations Information
Year Ended December 31, 2013

	Baxter County Regional Hospital, Inc.	Hospice of the Ozarks, Inc.	Hospital Development Foundation, Inc.
Unrestricted Revenues, Gains and Other Support			
Patient service revenue (net of contractual discounts and allowances)	\$ 158,546,303	\$ 3,136,123	\$ -
Provision for uncollectible accounts	12,011,488	-	-
Net patient service revenue less provision for uncollectible accounts	146,534,815	3,136,123	0
Other	5,213,493	-	-
Contributions received	496,364	291,419	818,953
Net assets released from restrictions used for operations	-	-	642,753
Total unrestricted revenues, gains and other support	152,244,672	3,427,542	1,461,706
Expenses and Losses			
Salaries and wages	60,889,741	1,715,283	238,388
Employee benefits	17,708,787	538,603	-
Professional fees	10,225,328	142,569	-
Supplies and other	52,651,425	999,999	2,159,586
Depreciation and amortization	9,671,695	257,797	3,577
Interest	2,768,888	-	-
Provider assessment tax	1,850,707	-	-
Total expenses and losses	155,766,571	3,654,251	2,401,551
Operating Income (Loss)	(3,521,899)	(226,709)	(939,845)
Other Income (Expense)			
Investment return	3,626,245	290,924	201,780
Impairment of real estate investment	(950,445)	-	-
Other, net	(114,226)	-	-
Total other income	2,561,574	290,924	201,780
Excess (Deficiency) of Revenues Over Expenses	(960,325)	64,215	(738,065)
Investment return – change in unrealized gains and losses on other-than-trading securities	1,440,454	1,157,106	122,341
Capital contribution	-	-	-
Contributions of or for acquisition of property and equipment	1,382,457	-	808,930
Increase in Unrestricted Net Assets	\$ 1,862,586	\$ 1,221,321	\$ 193,206

Baxter Regional Health System	BRMC Pain Center, LLC	Eliminations	Consolidated
\$ -	\$ -	\$ -	\$ 161,682,426
-	-	-	12,011,488
0	0	0	149,670,938
-	121,713	-	5,335,206
-	-	(789,120)	817,616
-	-	-	642,753
0	121,713	(789,120)	156,466,513
-	-	-	62,843,412
-	-	-	18,247,390
-	750	-	10,368,647
-	6,250	(1,598,050)	54,219,210
-	36,053	-	9,969,122
-	17,451	-	2,786,339
-	-	-	1,850,707
0	60,504	(1,598,050)	160,284,827
0	61,209	808,930	(3,818,314)
31,355	-	(31,355)	4,118,949
-	-	-	(950,445)
-	-	-	(114,226)
31,355	0	(31,355)	3,054,278
31,355	61,209	777,575	(764,036)
-	-	-	2,719,901
-	19,880	(10,000)	9,880
-	-	(808,930)	1,382,457
\$ 31,355	\$ 81,089	\$ (41,355)	\$ 3,348,202

Baxter Regional Health System
Consolidating Schedule – Statement of Changes in Net Assets Information
Year Ended December 31, 2013

	Baxter County Regional Hospital, Inc.	Hospice of the Ozarks, Inc.	Hospital Development Foundation, Inc.
Unrestricted Net Assets			
Excess (deficiency) of revenues over expenses	\$ (960,325)	\$ 64,215	\$ (738,065)
Investment return – change in unrealized gains and losses on other-than-trading securities	1,440,454	1,157,106	122,341
Contributed capital	-	-	-
Contributions of or for acquisition of property and equipment	1,382,457	-	808,930
	<u>1,862,586</u>	<u>1,221,321</u>	<u>193,206</u>
Increase in unrestricted net assets			
	<u>1,862,586</u>	<u>1,221,321</u>	<u>193,206</u>
Temporarily Restricted Net Assets			
Contributions received	-	-	82,595
Investment return	1,664	-	2,026,729
Net assets released from restriction	-	-	(642,753)
	<u>1,664</u>	<u>0</u>	<u>1,466,571</u>
Increase in temporarily restricted net assets			
	<u>1,664</u>	<u>0</u>	<u>1,466,571</u>
Change in Net Assets	1,864,250	1,221,321	1,659,777
Net Assets, Beginning of Year	58,945,432	11,191,808	12,628,885
Net Assets, End of Year	<u>\$ 60,809,682</u>	<u>\$ 12,413,129</u>	<u>\$ 14,288,662</u>

Baxter Regional Health System	BRMC Pain Center, LLC	Eliminations	Consolidated
\$ 31,355	\$ 61,209	\$ 777,575	\$ (764,036)
-	-	-	2,719,901
-	19,880	(10,000)	9,880
-	-	(808,930)	1,382,457
31,355	81,089	(41,355)	3,348,202
-	-	-	82,595
-	-	-	2,028,393
-	-	-	(642,753)
0	0	0	1,468,235
31,355	81,089	(41,355)	4,816,437
-	-	-	82,766,125
\$ 31,355	\$ 81,089	\$ (41,355)	\$ 87,582,562