



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



Part III

Statement of Program Service Accomplishments

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

1

Briefly describe the organization’s mission

TO PROVIDE QUALITY, FAMILY-CENTERED, COMPREHENSIVE, COORDINATED PRIMARY, PREVENTIVE AND BEHAVIORAL HEALTH CARE SERVICES TO PERSONS IN NORTH CENTRAL AND NORTHWEST ARKANSAS

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

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?

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 \$ 8,232,032 including grants of \$) (Revenue \$ 6,029,049)

PROVIDING QUALITY HEALTH CARE, PREVENTIVE CARE AND BEHAVIORAL HEALTH CARE SERVICES TO THE INDIVIDUALS IN THE ORGANIZATION'S SERVICE AREA

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 ▶ 8,232,032

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	No
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	
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	No
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII 	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX 	11d	No
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 Yes	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b	No
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	No
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	

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		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	Yes	
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		No
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		No
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		
36	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.	34	
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	126
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	13	
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	13	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	No
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	No
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes
13	Did the organization have a written whistleblower policy?	13	Yes
14	Did the organization have a written document retention and destruction policy?	14	Yes
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	15a	Yes
b	Other officers or key employees of the organization	15b	Yes
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶AR
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. ☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)
19	Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶BETTY SANDERS 305 SOUTH GLADE STREET MARSHALL,AR 72650 (870) 448-3796

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) LEILA DOCKERY DIRECTOR	1 0	X								
(2) ALFREDA BRUEN DIRECTOR	1 0	X								
(3) KIM DUKE SECRETARY	1 0	X		X						
(4) DAVID DOSHIER TREASURER	1 0	X		X						
(5) GERALDINE LITTLETON DIRECTOR	1 0	X								
(6) GARY LINN DIRECTOR	1 0	X								
(7) JIM ARNOLD BOARD CHAIRMAN	1 0	X		X						
(8) CHRIS GRAHAM VICE CHAIR	1 0	X		X						
(9) DONNA SAMPLES DIRECTOR	1 0	X								
(10) CHELLA REYNOLDS DIRECTOR	1 0	X								
(11) MARY LYNN EMMETT DIRECTOR	1 0	X								
(12) CHARLIE REECE DIRECTOR	1 0	X								
(13) BRENDA HARNESS DIRECTOR	1 0	X						0	0	0
(14) BETTY SANDERS INTERIM CEO & CFO	40 0			X				120,810	0	13,678
(15) CAROL RAINES PAST CEO	40 0			X				148,720	0	10,821
(16) JENNIFER DEPRIEST CHIEF OPERATING OFFICER	40 0			X				95,656	0	14,256
(17) JOY CHADWICK CHIEF CLINICAL OFFICER	40 0			X				96,276	0	13,983

Part VII

1b	Sub-Total			
c	Total from continuation sheets to Part VII, Section A			
d	Total (add lines 1b and 1c)	1,474,307	0	132,644

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 ►14

		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
MEDICAL LABS OF ARKANSAS, 9601 BAPTIST HEALTH DR SUITE 108 LITTLE ROCK AR 72205	SAMPLE TESTING	223,980
PHYSICIANS SALES SERVICE, 4345 SOUTHPOINT BOULEVARD JACKSONVILLE FL 32216	MEDICAL SUPPLIES	381,198
SHARP'S LOCK ALARM, 429 NORTH COLLEGE AVE FAYETTEVILLE AR 72701	SECURITY SYSTEM	116,395
STERICYCLE INC, PO BOX 6575 CAROL STREAM IL 60197	BIO-HAZARD WASTE	101,362

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 ▶4

Part VIII

Statement of Revenue

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

				(A)	(B)	(C)	(D)
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e	4,088,985			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	2,048,462			
	g	Noncash contributions included in lines 1a-1f \$		1,828,462			
	h	Total. Add lines 1a-1f		6,137,447			
Program Service Revenue	2a	PATIENT SERVICE	Business Code				
			621110	4,852,508	4,852,508		
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		4,852,508			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		4,513			4,513
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
	6a	Gross rents	(i) Real (ii) Personal				
	b	Less rental expenses					
	c	Rental income or (loss)	0 0				
	d	Net rental income or (loss)		0			
	7a	Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss)		0			
	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				
			1,893,248				
	b	Less cost of goods sold	b	716,707			
	c	Net income or (loss) from sales of inventory		1,176,541	1,176,541		
		Miscellaneous Revenue	Business Code				
	11a	MEANINGFUL USE	900099	136,000			136,000
	b	MEDICAL BONUS/FEE	900099	107,838			107,838
	c	MISCELLANEOUS	900099	168,364			168,364
	d	All other revenue		168,364			168,364
	e	Total. Add lines 11a-11d		412,202			
	12	Total revenue. See Instructions		12,583,211	6,029,049		416,715

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.	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.	0			
4	Benefits paid to or for members.	0			
5	Compensation of current officers, directors, trustees, and key employees.	596,730	0	596,730	0
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.	4,714,843	3,377,106	1,337,737	0
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	137,521	98,502	39,019	0
9	Other employee benefits.	595,730	426,704	169,026	0
10	Payroll taxes.	359,901	257,787	102,114	0
11	Fees for services (non-employees):				
a	Management.	0			
b	Legal.	14,980	10,730	4,250	0
c	Accounting.	82,850	59,343	23,507	0
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).	632,875	453,310	179,565	0
12	Advertising and promotion.	0			
13	Office expenses.	255,449	182,971	72,478	0
14	Information technology.	195,454	139,998	55,456	0
15	Royalties.	0			
16	Occupancy.	494,925	354,500	140,425	0
17	Travel.	194,057	138,997	55,060	0
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
19	Conferences, conventions, and meetings.	24,810	17,771	7,039	0
20	Interest.	134,675	96,464	38,211	0
21	Payments to affiliates.	0			
22	Depreciation, depletion, and amortization.	248,785	178,198	70,587	0
23	Insurance.	73,067	52,336	20,731	0
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O):				
a	BAD DEBT EXPENSE	307,075	307,075	0	0
b	SUPPLIES EXPENSE	1,828,462	1,309,674	518,788	0
c	EQUIPMENT EXPENSE	279,559	200,240	79,319	0
d	MEDICAL EXPENSE	498,866	357,323	141,543	0
e	All other expenses	297,377	213,003	84,374	
25	Total functional expenses. Add lines 1 through 24e.	11,967,991	8,232,032	3,735,959	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ☐ if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		2,746,369	1	2,592,865
	2	Savings and temporary cash investments		192,356	2	279,020
	3	Pledges and grants receivable, net		0	3	201,155
	4	Accounts receivable, net		1,434,728	4	1,361,719
	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		0	8	0
	9	Prepaid expenses and deferred charges		24,741	9	15,234
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a8,768,496			
	b	Less accumulated depreciation	10b2,993,961	5,442,731	10c	5,774,535
	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		0	15	139,292
	16	Total assets. Add lines 1 through 15 (must equal line 34)		9,840,925	16	10,363,820
Liabilities	17	Accounts payable and accrued expenses		595,968	17	601,373
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		0	20	0
	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		3,186,283	23	3,088,553
	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		3,782,251	26	3,689,926
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here ☒ and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		6,058,674	27	6,673,894
	28	Temporarily restricted net assets		0	28	0
	29	Permanently restricted net assets		0	29	0
	Organizations that do not follow SFAS 117 (ASC 958), check here ☐ and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		6,058,674	33	6,673,894
	34	Total liabilities and net assets/fund balances		9,840,925	34	10,363,820

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	12,583,211
2	Total expenses (must equal Part IX, column (A), line 25)	2	11,967,991
3	Revenue less expenses Subtract line 2 from line 1	3	615,220
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	6,058,674
5	Net unrealized gains (losses) on investments	5	
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	
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	6,673,894

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis		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 ☒ Separate basis ☐ Consolidated basis ☐ 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?	Yes	
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	Yes	

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 BOSTON MOUNTAIN RURAL HEALTH CENTER INC	Employer identification number 71-0717967
---	--

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 ")	6,286,868	3,474,965	5,503,472	5,619,423	6,137,447	27,022,175
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
3 The value of services or facilities furnished by a governmental unit to the organization without charge						0
4 Total. Add lines 1 through 3	6,286,868	3,474,965	5,503,472	5,619,423	6,137,447	27,022,175
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)						0
6 Public support. Subtract line 5 from line 4						27,022,175

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	6,286,868	3,474,965	5,503,472	5,619,423	6,137,447	27,022,175
8	Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	8,907	4,895	5,817	5,650	4,513	29,782
9	Net income from unrelated business activities, whether or not the business is regularly carried on						0
10	Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)	12,880	72,051	30,504	17,738	412,202	545,375
11	Total support (Add lines 7 through 10)						27,597,332
12	Gross receipts from related activities, etc (see instructions)					12	17,169,227
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))	<table><tr><td>14</td><td>97.916 %</td></tr></table>	14	97.916 %
14	97.916 %			
15	Public support percentage for 2012 Schedule A, Part II, line 14	<table><tr><td>15</td><td>98.734 %</td></tr></table>	15	98.734 %
15	98.734 %			
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 D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

► 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.

Name of the organization BOSTON MOUNTAIN RURAL HEALTH CENTER INC	Employer identification number 71-0717967
---	--

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

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

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

1

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

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

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

☐ Preservation of open space

2

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

	Held at the End of the Year
a	Total number of conservation easements
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

d

☐ Loan or exchange programs

b

☐ Scholarly research

e

☐ Other

c

☐ Preservation for future generations
- 4

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

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

☐ Yes

☐ No

Part IV

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

- 1a

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

☐ Yes

☐ No
- b

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

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

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

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

☐ Yes

☐ No
- b

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

☐

Part V

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

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

- 2

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

Board designated or quasi-endowment

b

Permanent endowment

c

Temporarily restricted endowment
- The percentages in lines 2a, 2b, and 2c should equal 100%
- 3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- (i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

No

b

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

3b

Yes

No

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		722,410		722,410
b Buildings		5,646,466	866,277	4,780,189
c Leasehold improvements		72,860	17,865	54,995
d Equipment		2,286,168	2,109,819	176,349
e Other		40,592		40,592
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				5,774,535

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	12,992,843
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII)	2d	716,707
e	Add lines 2a through 2d	2e	716,707
3	Subtract line 2e from line 1	3	12,276,136
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII)	4b	307,075
c	Add lines 4a and 4b	4c	307,075
5	Total revenue Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)	5	12,583,211

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	12,377,623
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII)	2d	716,707
e	Add lines 2a through 2d	2e	716,707
3	Subtract line 2e from line 1	3	11,660,916
4	Amounts included on Form 990, Part IX, line 25, but not on line 1 :		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII)	4b	307,075
c	Add lines 4a and 4b	4c	307,075
5	Total expenses Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)	5	11,967,991

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
BAD DEBT & CUSTOMER REFUNDS	EXPENSE INCLUDED IN REVENUE PER AUDIT, INCLUDED AS EXPENSE PER RETURN FORM 990, SCHEDULE D, PART XI, LINE 4B BAD DEBT EXPENSE \$307,075
COST OF GOODS SOLD	EXPENSE INCLUDED IN EXPENSE PER AUDIT, INCLUDED IN REVENUE PER RETURN FORM 990, SCHEDULE D, PART XI, LINE 2D COGS \$716,707
COST OF GOODS SOLD	EXPENSE INCLUDED IN EXPENSE PER AUDIT, INCLUDED IN REVENUE PER RETURN FORM 990, SCHEDULE D, PART XII, LINE 2D COGS \$716,707
BAD DEBT & CUSTOMER REFUNDS	EXPENSE INCLUDED IN REVENUE PER AUDIT, INCLUDED AS EXPENSE PER RETURN FORM 990, SCHEDULE D, PART XII, LINE 4B BAD DEBT EXPENSE \$307,075
FIN 48 DISCLOSURE	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 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
BOSTON MOUNTAIN RURAL HEALTH CENTER INC

Employer identification number
71-0717967

Part I

Questions Regarding Compensation

	Yes	No
1a 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. ☐ First-class or charter travel ☐ Travel for companions ☐ Tax idemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e g , maid, chauffeur, chef)		
b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain.	1b	
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	2	
3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. ☐ Compensation committee ☐ Independent compensation consultant ☐ Form 990 of other organizations ☐ Written employment contract ☐ Compensation survey or study ☒ Approval by the board or compensation committee		
4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization:		
a Receive a severance payment or change-of-control payment?	4a	No
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	No
c Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.	4c	No
Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a The organization?	5a	No
b Any related organization? If "Yes," to line 5a or 5b, describe in Part III.	5b	No
6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a The organization?	6a	No
b Any related organization? If "Yes," to line 6a or 6b, describe in Part III.	6b	No
7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III.	7	No
8 Were any amounts reported in Form 990, Part VII, paid or 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.	8	No
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1)DR LARRY JENNINGS PHYSICIAN	(i) (ii)	185,746	9,509	0	0	9,893	205,148	
(2)DR REBECCA BARRETT PHYSICIAN	(i) (ii)	166,439 0	5,181 0	0 0	7,972 0	5,262 0	184,854 0	0 0
(3)DR BRIAN BLAIR PHYSICIAN	(i) (ii)	183,997 0	7,254 0	0 0	8,727 0	5,262 0	205,240 0	0 0
(4)CAROL RAINES PAST CEO	(i) (ii)	135,000 0	13,720 0	0 0	928 0	9,893 0	159,541 0	0 0
(5)DR TRAVIS EMBRY PHYSICIAN	(i) (ii)	200,934 0	8,220 0	0 0	9,721 0	9,893 0	228,768 0	0 0
(6)DR THOMAS EMBRY PHYSICIAN	(i) (ii)	169,103 0	3,826 0	0 0	8,050 0	5,233 0	186,212 0	0 0

Part III **Supplemental Information**

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

Return Reference	Explanation
------------------	-------------

SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

►Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
► Attach to Form 990.

►Information about Schedule M (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BOSTON MOUNTAIN RURAL HEALTH CENTER INC

Employer identification number
71-0717967

Part I

Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies	X	305,000	1,828,462	FMV
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► ()				
26 Other ►()				
27 Other ►()				
28 Other ► ()				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement29

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?

31 If "Yes," describe the arrangement in Part II

32a Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

33 Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?

33 If "Yes," describe in Part II

If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II

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

Cat No 51227J

Schedule M (Form 990) (2013)

Part II

Supplemental Information.

Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Return Reference	Explanation
FORM 990, SCHEDULE M, PART I, LINE 20, COLUMN B	THE ORGANIZATION IS REPORTING THE ESTIMATED NUMBER OF ITEMS RECEIVED AS THE NUMBER OF CONTRIBUTIONS

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
BOSTON MOUNTAIN RURAL HEALTH CENTER INC**Employer identification number**

71-0717967

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART XII, LINE 2C	
FORM 990, PART VI, SECTION A, LINE 8B	THE ORGANIZATION DID NOT DOCUMENT THE MEETINGS OF ITS COMMITTEES BECAUSE NO COMMITTEE HAS THE AUTHORITY TO ACT ON BEHALF OF THE GOVERNING BODY
FORM 990, PART VI, SECTION B, LINE 11B	THE ORGANIZATION'S EXECUTIVE DIRECTOR AND CFO WILL CONDUCT A REVIEW OF THE FORM 990 THE ORGANIZATION ALSO MAKES THE FORM 990 AVAILABLE TO THE FINANCE COMMITTEE OF THE BOARD OF DIRECTORS FOR REVIEW AT THEIR DISCRETION
FORM 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 REQUEST
FORM 990, PART VI, SECTION B, LINE 12C	ALL NEW HIRES ARE APPROVED BY THE EXECUTIVE DIRECTOR WHO IS MADE AWARE OF ANY POSSIBLE CONFLICTS TO THE POLICY WHEN MAKING THE DECISION TO HIRE THE COMPLIANCE OFFICER IS AVAILABLE TO DISCUSS POTENTIAL CONFLICTS OF INTEREST WITH EMPLOYEES AND/OR BOARD MEMBERS IF A SUPERVISOR IS UNABLE TO TAKE CORRECTIVE ACTION FOR A CONFLICT OF INTEREST THE ISSUE IS THEN FORWARDED TO ADMINISTRATIVE STAFF AND IF NECESSARY TO THE BOARD OF DIRECTORS FOR FINAL RESOLUTION
FORM 990, PART VI, SECTION B, LINE 15A & 15B	THE BOARD OF DIRECTORS IN JANUARY 2010 REVIEWED THE CHC COMPENSATION SURVEY AND WITH THE RECOMMENDATION OF THE AUDIT PARTNER AT BKD ADJUSTED SALARIES OF THE EXECUTIVE DIRECTOR, CFO, AED, AND COMPLIANCE OFFICER

Boston Mountain Rural Health Center, Inc.

Auditor's Reports and Financial Statements

December 31, 2013 and 2012



Boston Mountain Rural Health Center, Inc.
December 31, 2013 and 2012

Contents

Independent Auditor's Report.....	1
 Financial Statements	
Balance Sheets	3
Statements of Operations and Changes in Net Assets	4
Statements of Cash Flows	5
Notes to Financial Statements	6
 Supplementary Information	
Schedule of Expenditures of Federal Awards	14
Schedule of Expenditures of State Awards	15
 Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards	
	16
 Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	
	18
 Schedule of Findings and Questioned Costs	20
 Summary Schedule of Prior Audit Findings	24

Independent Auditor's Report

Board of Directors
Boston Mountain Rural Health Center, Inc
Marshall, Arkansas

Report on the Financial Statements

We have audited the accompanying financial statements of Boston Mountain Rural Health Center, Inc (the Organization), which comprise the balance sheets as of December 31, 2013 and 2012, and the related statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information consisting of the schedule of expenditures of state awards and the schedule of expenditures of federal awards required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2014, on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

BKD, LLP

Boston Mountain Rural Health Center, Inc.

Balance Sheets

December 31, 2013 and 2012

Assets

	2013	2012
Current Assets		
Cash and cash equivalents	\$ 2,219,281	\$ 2,306,907
Restricted cash	114,636	96,139
Accounts receivable, net of allowance of \$859,813 and \$552,047	663,674	669,286
FQHC cost report receivable	421,740	284,000
Grants receivable	201,155	178,478
Employee receivable	139,292	-
Other receivables	276,305	302,964
Prepaid expenses	15,234	24,741
Total current assets	4,051,317	3,862,515
Assets Limited as to Use		
Internally designated	537,968	535,679
Property and Equipment, at Cost		
Land	722,410	722,410
Buildings and improvements	5,719,326	5,210,747
Equipment	2,286,168	2,266,256
Construction in progress	40,592	-
	8,768,496	8,199,413
Less accumulated depreciation	2,993,961	2,756,682
	5,774,535	5,442,731
Total assets	\$ 10,363,820	\$ 9,840,925

Liabilities and Unrestricted Net Assets

Current Liabilities		
Current maturities of long-term debt	\$ 100,455	\$ 100,455
Accounts payable	217,033	184,304
Accrued liabilities	384,340	411,664
Total current liabilities	701,828	696,423
Long-Term Debt	2,988,098	3,085,828
Total liabilities	3,689,926	3,782,251
Unrestricted Net Assets	6,673,894	6,058,674
Total liabilities and net assets	\$ 10,363,820	\$ 9,840,925

Boston Mountain Rural Health Center, Inc.
Statements of Operations and Changes in Net Assets
Years Ended December 31, 2013 and 2012

	2013	2012
Unrestricted Revenues, Gains and Other Support		
Patient service revenue (net of contractual discounts and allowances)	\$ 4,852,508	\$ 4,909,641
Provision for uncollectible accounts	(307,075)	(135,680)
Net patient service revenue less provision for uncollectible accounts	4,545,433	4,773,961
Community Health Centers Grant	3,397,429	2,998,336
Other grant revenue (federal, state and private)	691,556	772,452
Baptist Health income	220,000	220,000
340B income	1,893,248	1,575,191
In-person assister income	79,197	-
Meaningful use income	136,000	318,750
Miscellaneous income	201,518	90,958
In-kind contributions	1,828,462	1,500,420
	<u>12,992,843</u>	<u>12,250,068</u>
Expenses		
Personnel	5,311,573	4,636,610
Fringe benefits	1,093,152	911,744
Travel	107,220	64,200
Supplies	547,671	492,179
Contractual services	852,239	749,527
Interest	134,675	146,932
Other	1,537,140	1,419,198
340B expenses	716,707	668,754
In-kind contributions	1,828,462	1,500,420
Depreciation	248,784	290,733
	<u>12,377,623</u>	<u>10,880,297</u>
Increase in Unrestricted Net Assets	615,220	1,369,771
Unrestricted Net Assets, Beginning of Year	<u>6,058,674</u>	<u>4,688,903</u>
Unrestricted Net Assets, End of Year	<u><u>\$ 6,673,894</u></u>	<u><u>\$ 6,058,674</u></u>

Boston Mountain Rural Health Center, Inc.

Statements of Cash Flows

Years Ended December 31, 2013 and 2012

	2013	2012
Operating Activities		
Change in net assets	\$ 615,220	\$ 1,369,771
Item not requiring cash		
Depreciation	248,784	290,733
Changes in		
Receivables	(267,438)	16,286
Prepaid expenses and other current assets	9,507	(5,019)
Deferred revenue	-	(4,320)
Accounts payable	32,729	(60,206)
Accrued liabilities	(27,324)	98,761
	<u>611,478</u>	<u>1,706,006</u>
Net cash provided by operating activities		
Investing Activities		
Increase in restricted cash	(18,497)	(16,972)
Increase in assets limited as to use	(2,289)	(2,749)
Purchase of property and equipment	(580,588)	(285,048)
	<u>(601,374)</u>	<u>(304,769)</u>
Net cash used in investing activities		
Financing Activities		
Principal payments on long-term debt	(97,730)	(284,769)
	<u>(97,730)</u>	<u>(284,769)</u>
Net cash used in financing activities		
Change in Cash and Cash Equivalents	(87,626)	1,116,468
Cash and Cash Equivalents, Beginning of Year	<u>2,306,907</u>	<u>1,190,439</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 2,219,281</u></u>	<u><u>\$ 2,306,907</u></u>
Supplemental Cash Flows Information		
Interest paid	\$ 134,675	\$ 157,179

Boston Mountain Rural Health Center, Inc.

Notes to Financial Statements

December 31, 2013 and 2012

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

Nature of Operations and Objectives

Boston Mountain Rural Health Center, Inc. (the Organization) was created for nonprofit purposes to promote the general health of the Arkansas communities of Marshall, Clinton, Fairfield Bay, Huntsville, Yellville, Deer, Bee Branch and Green Forest. Its principal objectives are to establish and maintain outpatient clinic facilities for the care of persons suffering from illness or disabilities, to provide comprehensive services, including preventive care, and to carry on educational activities related to rendering care to the sick and promotion of health.

A significant amount of the Organization's funds are grants from the U.S. Department of Health and Human Services and the Arkansas Department of Health, the acceptance of which requires compliance with prescribed grant conditions and other special requirements, including the receipt of certain amounts of revenues from other sources. Additional operating funds are realized from charges to patients during each year of operation. Under the terms of federal grant agreements, the Organization is subject to the requirements of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Accordingly, management policies and procedures are designed to be in compliance with the provisions of the circular.

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, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization 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 Organization's cash accounts exceeded federally insured limits by approximately \$1,633,000. However, there were collateral arrangements for the amount in excess of FDIC insurance.

Boston Mountain Rural Health Center, Inc.

Notes to Financial Statements

December 31, 2013 and 2012

Restricted Cash

Restricted cash includes cash deposits required as part of the Organization's loan agreements with the United States Department of Agriculture – Rural Development. Under the terms of the agreements, the Organization can use the funds to make payments on the notes or, with prior written approval, make improvements to the related real estate.

Assets Limited as to Use

Assets limited as to use include cash and cash equivalents set aside by the board of directors for future capital and/or operational improvements over which the board retains control and may, at its discretion, subsequently use for other purposes.

Patient Accounts Receivable

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

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

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Organization records a provision for bad debts in the period of services 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 the sliding fee or other policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset. Leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives.

Boston Mountain Rural Health Center, Inc.

Notes to Financial Statements

December 31, 2013 and 2012

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

Buildings and Improvements	5–40 years
Machinery and Equipment	3–10 years
Furniture and Fixtures	3–5 years

Property acquired with federal and state grants is considered to be owned by the Organization while used in the program for which it was purchased or in future authorized programs, however, the federal and state governments have a reversionary interest in the property. The disposition of property purchased with federal grant funds, as well as any proceeds from its sale, are subject to federal regulation.

Net Patient Service Revenue

The Organization has agreements with third-party payers that provide for payments to the Organization 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.

In accordance with grant requirements, the Organization provides care at amounts less than its established rates using sliding fee scale adjustments to patients who meet certain criteria. These adjustments are a component of net patient service revenue.

Estimated Malpractice Costs

An annual estimated provision is accrued for the uninsured portion of medical malpractice claims and includes an estimate of the ultimate costs, if any, for both reported claims and claims incurred but not reported.

Income Taxes

The Organization is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Organization is subject to federal income tax on any unrelated business taxable income.

The Organization files tax-exempt returns in the U.S. federal jurisdiction. The Organization is generally not subject to U.S. federal tax examinations by tax authorities for years before 2010.

Boston Mountain Rural Health Center, Inc.

Notes to Financial Statements

December 31, 2013 and 2012

Governmental Grants

Support funded by grants is recognized as the Organization performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Compensated Absences

Employees receive between one and two days of accrued leave per month, which is available to be taken after 180 days of employment. The amount of accrued leave at December 31, 2013 and 2012, was \$234,643 and \$271,463, respectively, and is included as a liability in the financial statements.

In-Kind Contributions

The Organization received in-kind contributions of pharmaceuticals from Pfizer, Inc. and the PAP Rx Program. It is the policy of the Organization to record the estimated fair value of certain in-kind donations as an expense in its financial statements and similarly increase contribution revenue by a like amount. For the years ended December 31, 2013 and 2012, \$1,828,462 and \$1,500,420, respectively, was received in in-kind contributions.

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.

Subsequent Events

Subsequent to the year ended December 31, 2013, the Fairfield Bay clinic was closed.

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

Note 2: Net Patient Service Revenue

The Organization 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 the sliding fee program, the Organization recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a significant portion of the Organization's uninsured patients who do not qualify for the sliding fee program will be unable or unwilling to pay for the services provided.

Boston Mountain Rural Health Center, Inc.

Notes to Financial Statements

December 31, 2013 and 2012

Thus, the Organization records a significant provision for bad debts related to uninsured patients who do not qualify for the sliding fee program in the period the services are provided. This provision for bad debts is presented on the statements of operations and changes in net assets as a component of net patient service revenue. The Organization is approved as a Federally Qualified Health Center (FQHC) for both Medicare and Medicaid reimbursement purposes. The Organization has agreements with third-party payers that provide for payments to the Organization at amounts different from its established rates. These payment arrangements include:

Medicare Covered FQHC services rendered to Medicare program beneficiaries are paid based on a cost reimbursement methodology. The Organization is reimbursed for cost reimbursable items at a tentative rate with final settlement, not to exceed an established maximum amount, determined after submission of an annual cost report by the Organization and audit thereof by the Medicare fiscal intermediary. Services not covered under the FQHC benefit are paid based on established fee schedules.

Medicaid Covered FQHC services rendered to Medicaid program beneficiaries are paid based on a prospective reimbursement methodology. The Organization is reimbursed a set encounter rate for all services under the plan at the prospective payment system (PPS) rate with final settlement determined after submission of an annual cost report if the actual cost per encounter is greater than the PPS rate. Cost reports are reviewed by Medicaid.

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

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, was approximately:

	2013	2012
Medicare	\$ 1,648,083	\$ 1,389,181
Medicaid	1,842,806	1,477,329
Other third-party payers	831,940	1,458,777
Self-pay	529,680	584,355
	<u>\$ 4,852,508</u>	<u>\$ 4,909,641</u>

Boston Mountain Rural Health Center, Inc.

Notes to Financial Statements

December 31, 2013 and 2012

Note 3: Concentration of Credit Risk

The Organization grants credit without collateral to its patients, most of whom are local 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, was

	2013	2012
Medicare	32%	14%
Medicaid	27%	12%
Other third-party payers	21%	36%
Self-pay	20%	38%
	<u>100%</u>	<u>100%</u>

Patient accounts receivable from third-party payers and private-pay individuals have been recorded upon the providing of services. An allowance for contractual adjustments and doubtful accounts has been recorded to adjust the receivables to the expected collectible amount. Subsequent write-offs of accounts receivable will be charged to the allowance account. It is reasonably possible that actual bad debts incurred may be materially different than the estimated allowance recorded as of December 31, 2013.

Note 4: Medical Malpractice Coverage and Claims

The U.S. Department of Health and Human Services has deemed the Organization and its participating providers covered under the Federal Torts Claims Act (FTCA) for damage for personal injury, including death, resulting from the performance of medical, surgical, dental and related functions. FTCA coverage is comparable to an occurrence policy without a monetary cap.

Claim liabilities are to be determined without consideration of insurance recoveries. Expected recoveries are presented separately. Based upon the Organization's claims experience, no accrual has been made for the Organization's portion of medical malpractice cost for the year ended December 31, 2013. However, because of the risk in providing health care services, it is possible that an event has occurred which will be the basis of a future medical claim.

Boston Mountain Rural Health Center, Inc.

Notes to Financial Statements

December 31, 2013 and 2012

Note 5: Long-Term Debt

	<u>2013</u>	<u>2012</u>
Note pay able, USDA (A)	\$ 419,046	\$ 448,487
Note pay able, USDA (B)	1,228,472	1,264,802
Note pay able, USDA (C)	<u>1,441,035</u>	<u>1,472,994</u>
	3,088,553	3,186,283
Less current maturities	<u>100,455</u>	<u>100,455</u>
	<u><u>\$ 2,988,098</u></u>	<u><u>\$ 3,085,828</u></u>

(A) Due September 9, 2024, pay able \$4,085 monthly , including interest at 4 5 percent, secured by real estate

(B) Due August 18, 2035, pay able \$7,215 monthly , including interest at 4 25 percent, secured by real estate

(C) Due August 28, 2037, pay able \$7,515 monthly , including interest at 4 25 percent, secured by real estate

Aggregate annual maturities of long-term debt at December 31, 2013, are

2014	\$ 100,455
2015	106,533
2016	111,234
2017	116,142
2018	121,267
Thereafter	<u>2,532,922</u>
	<u><u>\$ 3,088,553</u></u>

Boston Mountain Rural Health Center, Inc.

Notes to Financial Statements

December 31, 2013 and 2012

Note 6: Functional Expenses

Expenses incurred by the Organization classified by functional categories were as follows

	2013	2012
Clinical services	\$ 8,438,313	\$ 7,488,875
Administrative and general	3,939,310	3,391,422
	<u>\$ 12,377,623</u>	<u>\$ 10,880,297</u>

Note 7: Pension Plan

The Organization has a defined contribution plan covering substantially all employees. The Organization's contributions to the plan are determined annually by the board of directors. Pension expense was \$137,521 and \$119,102 for 2013 and 2012, respectively.

Note 8: Related Party Transaction

During 2013, the Organization purchased a building in Yellville, Arkansas to house their medical clinic. A board member of the Organization was a partial owner of the building.

Note 9: 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 revenue are described in *Notes 1–3*.

Economic Dependency

The Organization is economically dependent upon revenue provided by the Community Health Centers Grant Programs of both the U.S. Department of Health and Human Services and the Arkansas Department of Health. During the fiscal years ended December 31, 2013 and 2012, 31 percent of the Organization's total revenue was provided by these grants.

Supplementary Information

Boston Mountain Rural Health Center, Inc.
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2013

Cluster/Program	Federal Agency/ Pass-Through Entity	CFDA Number	Grant or Identifying Number	Amount Expended
Community Health Centers	U S Department of Health and Human Services	93 224	H80CS00641	\$ 3,397,429
Telemedicine Based Collaborative Care to Reduce Rural Health Disparities	U S Department of Health and Human Services/Community Health Centers of Arkansas (CHCA)	93 242	N/A	21,324
Affordable Care Act (ACA) Grants for Capital Development in Health Centers	U S Department of Health and Human Services	93 527	N/A	4,008
Prevention and Public Health Fund Affordable Care Act Immunization Program	U S Department of Health and Human Services/Arkansas Department of Health/CHCA	93 539	N/A	25,504
Rural Health Network Development Program	U S Department of Health and Human Services	93 912	N/A	<u>13,593</u>
				<u><u>\$ 3,461,858</u></u>

Notes to Schedule

- 1 This schedule includes the federal awards activity of Boston Mountain Rural Health Center, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.
- 2 No awards were provided to subrecipients.

Boston Mountain Rural Health Center, Inc.
Schedule of Expenditures of State Awards
Year Ended December 31, 2013

Grantor	Program Revenues/ Expenditures
<i>Arkansas Department of Health</i>	
Arkansas Community Health Centers Grant Program	\$ 627,128
	<u>Revenue Recognized</u>
<i>Arkansas Department of Human Services</i>	
Medicaid	\$ 464,212 ⁽¹⁾

⁽¹⁾ Revenue recognized from the Medicaid program is included in the total of net patient service revenue in the accompanying statements of operations and changes in net assets. Medicaid revenue noted above represents 27 percent (the percentage the State of Arkansas contributed) of total Medicaid revenue recognized during the year ended December 31, 2013.

**Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters Based
on an Audit of the Financial Statements Performed in Accordance with
*Government Auditing Standards***

Board of Directors
Boston Mountain Rural Health Center, Inc
Marshall, Arkansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of Boston Mountain Rural Health Center, Inc (the Organization), which comprise the balance sheet as of December 31, 2013, and the related statements of operations and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2014

Internal Control over Financial Reporting

Management of the Organization is responsible for establishing and maintaining effective internal control over financial reporting (internal control). In planning and performing our audit, we considered the Organization's internal control to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses as defined above. However, material weaknesses may exist that have not been identified. We identified a deficiency in internal control described in the accompanying schedule of findings and questioned costs as item 2013-001 that we consider to be a significant deficiency in internal control.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Management's Response to Finding

Management's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Management's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We also noted certain matters that we reported to the Organization's management in a separate letter dated June 26, 2014.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Little Rock, Arkansas
June 26, 2014

Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

Board of Directors
Boston Mountain Rural Health Center, Inc
Marshall, Arkansas

Report on Compliance for Major Federal Program

We have audited the compliance of Boston Mountain Rural Health Center, Inc (the Organization) with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2013. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Organization's major federal program based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination on the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, Boston Mountain Rural Health Center, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2013.

Report on Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

BKD, LLP

Little Rock, Arkansas
June 26, 2014

Boston Mountain Rural Health Center, Inc.
Schedule of Findings and Questioned Costs
Year Ended December 31, 2013

Summary of Auditor's Results

- 1 The opinion expressed in the independent auditor's report was
☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer
- 2 The independent auditor's report on internal control over financial reporting disclosed
Significant deficiency(ies)? ☒ Yes ☐ None reported
Material weakness(es)? ☐ Yes ☒ No
- 3 Noncompliance considered material to the financial statements was disclosed by the audit? ☐ Yes ☒ No
- 4 The independent auditor's report on internal control over compliance with requirements that could have a direct and material effect on major federal awards programs disclosed
Significant deficiency(ies)? ☐ Yes ☒ None reported
Material weakness(es)? ☐ Yes ☒ No
- 5 The opinion expressed in the independent auditor's report on compliance with requirements that could have a direct and material effect on major federal awards was
☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer
- 6 The audit disclosed findings required to be reported by OMB Circular A-133? ☐ Yes ☒ No

Boston Mountain Rural Health Center, Inc.
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2013

- 7 The Organization's major program was

Cluster/Program	CFDA Number
Community Health Centers	93 224

- 8 The threshold used to distinguish between Type A and Type B programs, as those terms are defined in OMB Circular A-133, was \$300,000

- 9 The Organization qualified as a low-risk auditee, as that term is defined in OMB Circular A-133?

☒ Yes

☐ No

Boston Mountain Rural Health Center, Inc.
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2013

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding
2013-001	Criteria or Specific Requirement: An effective financial reporting system is an important component of an internal control system that helps ensure transactions are recorded accurately and timely, thereby providing accurate financial data. Management is responsible for establishing and maintaining effective internal controls over financial reporting. Condition: Credit card expenses of one individual were not being properly reviewed or recorded in the general ledger. Context: Timely and accurate financial statements are critical to managing operations, communicating financial position and changes in net position and demonstrating compliance with laws and regulations to interest parties. Cause: The Organization's internal control over financial reporting was, in some cases, not adequately designed to detect errors in financial reporting or credit card usage. Effect: Internal financial statements were not properly stated and resources were being utilized by an individual for purposes that were not business related. Recommendation: We recommend the Organization adopt appropriate accounting policies and internal controls to address the aforementioned items. Views of Responsible Officials and Planned Corrective Actions: Management concurs with the finding and recommendation. Management has implemented additional policies and procedures to help ensure that financial statements are properly stated and that resources are only used for business purposes.

Boston Mountain Rural Health Center, Inc.
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2013

Findings Required to be Reported by OMB Circular A-133

Reference Number	Finding	Questioned Costs
No matters are reportable		

Boston Mountain Rural Health Center, Inc.
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2013

Reference Number	Finding	Status
No matters are reportable		