



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



Form 990



Department of the Treasury  
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

Information about Form 990 and its instructions is at [www.IRS.gov/form990](http://www.irs.gov/form990)

OMB No 1545-0047

2013

Open to Public Inspection

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

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization

Boulder Community Health

Doing Business As

Boulder Community Hospital

Number and street (or P O box if mail is not delivered to street address)

PO Box 9019

1100 Balsam Ave

Room/suite

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

Boulder, CO 803019019

F Name and address of principal officer

David P Gehant

PO Box 9019

Boulder, CO 803019019

H(a) Is this a group return for subordinates?

☐ Yes☒ No

H(b) Are all subordinates included?

☐ Yes☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number

I Tax-exempt status

☒ 501(c)(3) ☐ 501(c) ( ) ☐ (insert no ) ☐ 4947(a)(1) or ☐ 527

J Website:

www.bch.org

K Form of organization

☒ Corporation☐ Trust☐ Association☐ Other

L Year of formation

1922

M State of legal domicile

CO

Part I	Summary																								
Activities & Governance	<div><div>1</div><div>Briefly describe the organization's mission or most significant activities</div><div>To provide our community with the safest and highest quality healthcare in an innovative, patient-centered environment</div></div>																								
	<div><div>2</div><div>Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets</div></div>																								
Revenue	<table><tr><td>3</td><td>Number of voting members of the governing body (Part VI, line 1a)</td><td>3</td><td>15</td></tr><tr><td>4</td><td>Number of independent voting members of the governing body (Part VI, line 1b)</td><td>4</td><td>12</td></tr><tr><td>5</td><td>Total number of individuals employed in calendar year 2013 (Part V, line 2a)</td><td>5</td><td>2,814</td></tr><tr><td>6</td><td>Total number of volunteers (estimate if necessary)</td><td>6</td><td>563</td></tr><tr><td>7a</td><td>Total unrelated business revenue from Part VIII, column (C), line 12</td><td>7a</td><td>2,214,924</td></tr><tr><td>7b</td><td>Net unrelated business taxable income from Form 990-T, line 34</td><td>7b</td><td>0</td></tr></table>	3	Number of voting members of the governing body (Part VI, line 1a)	3	15	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	12	5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	2,814	6	Total number of volunteers (estimate if necessary)	6	563	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	2,214,924	7b	Net unrelated business taxable income from Form 990-T, line 34	7b	0
3	Number of voting members of the governing body (Part VI, line 1a)	3	15																						
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	12																						
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	2,814																						
6	Total number of volunteers (estimate if necessary)	6	563																						
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	2,214,924																						
7b	Net unrelated business taxable income from Form 990-T, line 34	7b	0																						
<table><tr><td rowspan="7">8</td><td rowspan="6">Contributions and grants (Part VIII, line 1h)</td><td>Prior Year</td><td>Current Year</td></tr><tr><td>1,170,727</td><td>3,358,726</td></tr><tr><td>292,245,681</td><td>291,528,637</td></tr><tr><td>11,821,051</td><td>15,680,487</td></tr><tr><td>18,580,776</td><td>14,726,569</td></tr><tr><td>323,818,235</td><td>325,294,419</td></tr></table>	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year	1,170,727	3,358,726	292,245,681	291,528,637	11,821,051	15,680,487	18,580,776	14,726,569	323,818,235	325,294,419											
8			Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year																				
				1,170,727	3,358,726																				
				292,245,681	291,528,637																				
				11,821,051	15,680,487																				
				18,580,776	14,726,569																				
		323,818,235		325,294,419																					
	<table><tr><td rowspan="6">9</td><td rowspan="6">Program service revenue (Part VIII, line 2g)</td><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>	9	Program service revenue (Part VIII, line 2g)																						
9	Program service revenue (Part VIII, line 2g)																								
Expenses	<table><tr><td rowspan="7">13</td><td rowspan="6">Grants and similar amounts paid (Part IX, column (A), lines 1-3)</td><td>397,939</td><td>363,851</td></tr><tr><td>0</td><td>0</td></tr><tr><td>147,908,726</td><td>153,542,796</td></tr><tr><td>0</td><td>0</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	397,939	363,851	0	0	147,908,726	153,542,796	0	0														
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)			397,939	363,851																				
				0	0																				
				147,908,726	153,542,796																				
				0	0																				
	<table><tr><td rowspan="6">14</td><td rowspan="6">Benefits paid to or for members (Part IX, column (A), line 4)</td><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>	14	Benefits paid to or for members (Part IX, column (A), line 4)																						
14	Benefits paid to or for members (Part IX, column (A), line 4)																								
Net Assets or Fund Balances	<table><tr><td rowspan="7">15</td><td rowspan="6">Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)</td><td>147,908,726</td><td>153,542,796</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	147,908,726	153,542,796																				
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)			147,908,726	153,542,796																				
	<table><tr><td rowspan="6">16a</td><td rowspan="6">Professional fundraising fees (Part IX, column (A), line 11e)</td><td>0</td><td>0</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0																				
16a	Professional fundraising fees (Part IX, column (A), line 11e)			0	0																				
	<table><tr><td rowspan="7">b</td><td rowspan="6">Total fundraising expenses (Part IX, column (D), line 25)</td><td>321,261</td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>	b	Total fundraising expenses (Part IX, column (D), line 25)	321,261																					
b	Total fundraising expenses (Part IX, column (D), line 25)			321,261																					
	<table><tr><td rowspan="6">17</td><td rowspan="6">Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)</td><td>151,796,746</td><td>156,469,324</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	151,796,746	156,469,324																				
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)			151,796,746	156,469,324																				
	<table><tr><td rowspan="7">18</td><td rowspan="6">Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)</td><td>300,103,411</td><td>310,375,971</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>	18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	300,103,411	310,375,971																				
18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)			300,103,411	310,375,971																				
	<table><tr><td rowspan="6">19</td><td rowspan="6">Revenue less expenses Subtract line 18 from line 12</td><td>23,714,824</td><td>14,918,448</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>	19	Revenue less expenses Subtract line 18 from line 12	23,714,824	14,918,448																				
19	Revenue less expenses Subtract line 18 from line 12			23,714,824	14,918,448																				
	<table><tr><td rowspan="7">20</td><td rowspan="6">Total assets (Part X, line 16)</td><td>Beginning of Current Year</td><td>End of Year</td></tr><tr><td>584,504,013</td><td>627,149,726</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year	584,504,013	627,149,726																		
20	Total assets (Part X, line 16)			Beginning of Current Year	End of Year																				
				584,504,013	627,149,726																				
	<table><tr><td rowspan="6">21</td><td rowspan="6">Total liabilities (Part X, line 26)</td><td>279,157,334</td><td>253,465,927</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>	21	Total liabilities (Part X, line 26)	279,157,334	253,465,927																				
21	Total liabilities (Part X, line 26)			279,157,334	253,465,927																				
	<table><tr><td rowspan="7">22</td><td rowspan="6">Net assets or fund balances Subtract line 21 from line 20</td><td>305,346,679</td><td>373,683,799</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table>	22	Net assets or fund balances Subtract line 21 from line 20	305,346,679	373,683,799																				
22	Net assets or fund balances Subtract line 21 from line 20			305,346,679	373,683,799																				

Part II

Signature Block

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

Sign Here

Signature of officer

2014-11-17

Date

William A Munson Jr CFO & Vice President

Type or print name and title

Prnt/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Firm's name

Firm's EIN

Firm's address

Phone no

May the IRS discuss this return with the preparer shown above? (see instructions)

☐ Yes☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2013)

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

To provide our community with the safest and highest quality healthcare in an innovative, patient-centered environment

If "Yes," describe these new services on Schedule O

If "Yes," describe these changes on Schedule O

**4a** (Code ) (Expenses \$ 230,067,179 including grants of \$ 363,851 ) (Revenue \$ 305,508,083 )

Health Care Delivery of IP and OP medical care In 2013, the hospital discharged 8,316 adult & pediatric patients with an average length of stay of 4.5 days. 49,411 patients were seen in our ER/Urgent Care facilities. 6,652 surgeries were performed. The hospital had adjusted patient days of 86,871.

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















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

**4d** Other program services (Describe in Schedule O )  
(Expenses \$ 0 including grants of \$ 0 ) (Revenue \$ 0 )

<b>4e</b>	<b>Total program service expenses</b>	<b>230,067,179</b>
-----------	---------------------------------------	--------------------

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

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .	21	Yes	
22	Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> . . . . .	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .	24d		No
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> 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	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . .	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> . . . . .	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		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	<b>Section 501(c)(3) organizations.</b> 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? <b>Note.</b> 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.	257	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
1c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		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.	2,814	
2b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).		Yes	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?		Yes	
3b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.		Yes	
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			No
4b 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?			No
5b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			No
5c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?			
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?			No
6b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			
7 Organizations that may receive deductible contributions under section 170(c).			
7a 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?			No
7b If "Yes," did the organization notify the donor of the value of the goods or services provided?			
7c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			No
7d If "Yes," indicate the number of Forms 8282 filed during the year.			
7e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			No
7f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			No
7g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			
7h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			
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?			
9 Sponsoring organizations maintaining donor advised funds.			
9a Did the organization make any taxable distributions under section 4966?			
9b Did the organization make a distribution to a donor, donor advisor, or related person?			
10 Section 501(c)(7) organizations. Enter			
10a Initiation fees and capital contributions included on Part VIII, line 12.			
10b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.			
11 Section 501(c)(12) organizations. Enter			
11a Gross income from members or shareholders.			
11b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).			
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?			
12b If "Yes," enter the amount of tax-exempt interest received or accrued during the year.			
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
13a Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.			
13b 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.			
13c Enter the amount of reserves on hand.			
14a Did the organization receive any payments for indoor tanning services during the tax year?			No
14b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.			

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 . . . . .	15	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
1b	Enter the number of voting members included in line 1a, above, who are independent . . . . .	12	
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	Yes
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
7b	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		
8a	The governing body? . . . . .	8a	Yes
8b	Each committee with authority to act on behalf of the governing body? . . . . .	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .	9	No

Section B. Policies

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)
19	Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization Lisa Rogowski Controller PO Box 9019 1100 Balsam Ave Boulder, CO 803019019 1100 Balsam Ave (303) 440-2358

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) Lou DellaCava Chairman	4 0	X		X				0	0	0
(2) Richard Porreca Vice Chairman	4 0	X		X				0	0	0
(3) Jean Dubofsky Secretary	4	X		X				0	0	0
(4) R David Hoover Treasurer	4 0	X		X				0	0	0
(5) Randy Bjerke MD Board Member	2 0	X						0	0	0
(6) Richard V Lopez Board Member	2 0	X						0	0	0
(7) Jeff Morgan Board Member	2 0	X						0	0	0
(8) David Gehant Exec Director/CEO	40 0	X		X				908,121	0	37,793
(9) Tom Metz Board Member	2 0	X						0	0	0
(10) Janet Martin Board Member	2 0	X						0	0	0
(11) Mako Shimoda MD Board Member	2 0	X						8,550	0	0
(12) Steve Fries MD Board Member	2 0	X						0	0	0
(13) Harold Flowers Board Member	2 0	X						1,399	0	0
(14) Susan Graf Board Member	2 0	X						1,025	0	0
(15) Dee Perry Board Member	2 0	X						0	0	0
(16) Paul Kenneth Lewis Jr VP & Chief Medical Officer	40			X				380,118	0	104,060
(17) William A Munson Jr VP & CFO	40 0			X				363,410	0	91,251



Part VII

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099- MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Jacqueline M Attlesey-Pries VP & Chief Nursing Officer	40 0			X				258,879	0	70,761
(19) Sarah E Meshak VP & General Counsel	40 0			X				253,333	0	54,800
(20) James Peters VP	40 0			X				246,433	0	59,337
(21) Linda S Minghella VP & Chief Information Officer	40 0			X				229,679	0	50,769
(22) Ronald Secrist BCH Foundation President	40 0				X			208,684	0	48,231
(23) Jamie D Jensen Physician Clinic COO	40 0				X			173,643	0	37,644
(24) Sameer A Oza Physician	40 0					X		684,106	0	53,664
(25) Jamie J Doucet Physician	40 0					X		633,408	0	54,376
(26) Nelson P Trujillo Jr Physician	40 0					X		642,717	0	53,663
(27) Daniel S White Physician	40 0					X		642,375	0	55,528
(28) John A Schutz Physician	40 0					X		639,830	0	54,667

1b	Sub-Total			
c	Total from continuation sheets to Part VII, Section A			
d	Total (add lines 1b and 1c)	6,275,710	0	826,544

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

162

	Yes	No
3 Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		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>	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>		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
Favonte Healthcare Staffing Inc, PO Box 803356 Kansas City MO 641803356	agency nursing services	1,858,289
Colorado Cardiovascular Surgical Associates PC 950 E Harvard Ave Suite 550 Denver CO 80210	Cardiovascular surgery coverage and employee lease	1,219,392
Dr Laurie Coryell Community Medical CenterLafayette CO 80026	Urgent Care Phys Group	1,169,542
Boulder Valley Anesthesiology LLC c/o Wendll Walker & Assoc 1420 28th St Ste 100 Boulder CO 80303	Anesthesiology coverage	979,585
Emergency Courier Services in care of Aaron Ramsey Niwot CO 80503	medical courier service	734,098

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

25

Part VIII

Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . . . .	1a	0	3,358,726			
	b	Membership dues . . . . .	1b	3,665				
	c	Fundraising events . . . . .	1c	0				
	d	Related organizations . . . .	1d	2,744,953				
	e	Government grants (contributions)	1e	580,460				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	29,648				
	g	Noncash contributions included in lines 1a-1f \$		0				
	h	Total. Add lines 1a-1f . . . . .						
Program Service Revenue	2a Acute care hospital b c d e f All other program service revenue		Business Code	291,528,637	289,641,138	1,820,650	66,849	
			622000					
	g	Total. Add lines 2a-2f . . . . .			0	0	0	0
			291,528,637					
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . .		3,992,776	0	0	3,992,776	
	4	Income from investment of tax-exempt bond proceeds . . . . .		72,830	0	0	72,830	
	5	Royalties . . . . .		0	0	0	0	
	6a	Gross rents	(i) Real					
			(ii) Personal					
			0					
			0					
	b	Less rental expenses	0	0				
	c	Rental income or (loss)	0	0				
	d	Net rental income or (loss) . . . . .		0	0	0	0	
	7a	Gross amount from sales of assets other than inventory	(i) Securities					
			(ii) Other					
			398,656,983					10,148,101
			386,854,075					10,336,128
	b	Less cost or other basis and sales expenses	11,802,908	-188,027				
	c	Gain or (loss)						
	d	Net gain or (loss) . . . . .		11,614,881	-188,027	0	11,802,908	
	8a	Gross income from fundraising events (not including \$ 0 of contributions reported on line 1c) See Part IV, line 18 . . . . .		0				
	a	0						
	b	Less direct expenses . . . . .	0					
	c	Net income or (loss) from fundraising events . . . . .				0	0	
	9a	Gross income from gaming activities See Part IV, line 19 . . . . .		9,790	0	0	9,790	
	a	10,005						
	b	Less direct expenses . . . . .	215					
	c	Net income or (loss) from gaming activities . . . . .						
	10a	Gross sales of inventory, less returns and allowances . . . . .		33,441	0	0	33,441	
	a	106,200						
	b	Less cost of goods sold . . . . .	72,759					
	c	Net income or (loss) from sales of inventory . . . . .						
	Miscellaneous Revenue			Business Code				
	11a	Health Care Joint Ventures		621400	6,152,018	6,152,018	0	0
	b	Misc Hospital Revenue		622000	8,531,320	7,688,030	394,274	449,016
	c							
	d	All other revenue . . . . .			0	0	0	0
	e	Total. Add lines 11a-11d . . . . .			14,683,338			
	12	Total revenue. See Instructions . . . . .			325,294,419	303,293,159	2,214,924	16,427,610

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.	189,718	189,718		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	85,364	85,364		
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.	88,769	88,769		
4	Benefits paid to or for members.	0	0		
5	Compensation of current officers, directors, trustees, and key employees.	3,551,536	0	3,299,751	251,785
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	0	0	0
7	Other salaries and wages.	120,632,883	92,964,887	27,641,314	26,682
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	12,050,011	9,132,420	2,909,178	8,413
9	Other employee benefits.	8,735,923	6,744,957	1,990,199	767
10	Payroll taxes.	8,572,443	6,385,879	2,173,959	12,605
11	Fees for services (non-employees):				
a	Management.	2,158,759	219,217	1,939,542	0
b	Legal.	257,283	0	257,283	0
c	Accounting.	89,234	4,234	85,000	0
d	Lobbying.	0	0	0	0
e	Professional fundraising services. See Part IV, line 17.	0			0
f	Investment management fees.	626,790	0	626,790	0
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	21,213,918	17,165,779	4,027,570	20,569
12	Advertising and promotion.	787,829	0	787,829	0
13	Office expenses.	5,583,865	2,332,273	3,240,091	11,501
14	Information technology.	8,884,665	489,744	8,394,921	0
15	Royalties.	0	0	0	0
16	Occupancy.	5,839,637	3,652,478	2,185,266	1,893
17	Travel.	500,861	222,917	277,504	440
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.	0	0	0	0
19	Conferences, conventions, and meetings.	327,646	121,033	206,613	0
20	Interest.	2,276,265	997,004	1,279,261	0
21	Payments to affiliates.	0	0	0	0
22	Depreciation, depletion, and amortization.	17,715,739	8,159,606	9,542,695	13,438
23	Insurance.	1,047,881	540,054	507,827	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	Medical Supplies.	44,828,762	44,647,989	180,773	0
b	Provision for Bad Debts.	17,048,384	17,048,384	0	0
c	Repairs & Maintenance.	7,157,892	536,176	6,621,343	373
d	Medicaid Provider Fee.	17,976,220	17,976,220	0	0
e	All other expenses.	2,147,694	362,077	1,812,822	-27,205
25	<b>Total functional expenses.</b> Add lines 1 through 24e.	310,375,971	230,067,179	79,987,531	321,261
26	<b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		976,885	1	1,389,445
	2	Savings and temporary cash investments		5,771,613	2	13,817,848
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		35,303,088	4	35,009,275
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L.			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L.			6	
	7	Notes and loans receivable, net		2,241,430	7	10,156,572
	8	Inventories for sale or use		2,871,946	8	2,688,826
	9	Prepaid expenses and deferred charges		3,638,310	9	3,934,441
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D.	10a403,970,231			
	b	Less: accumulated depreciation	10b196,269,189	171,335,480	10c	207,701,042
	11	Investments—publicly traded securities		254,533,177	11	228,890,116
	12	Investments—other securities. See Part IV, line 11.		66,215,850	12	75,764,948
	13	Investments—program-related. See Part IV, line 11.		3,325,638	13	3,072,181
	14	Intangible assets		320,020	14	424,077
	15	Other assets. See Part IV, line 11.		37,970,576	15	44,300,955
	16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34).		584,504,013	16	627,149,726
Liabilities	17	Accounts payable and accrued expenses		46,848,302	17	57,490,284
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		176,359,214	20	168,701,018
	21	Escrow or custodial account liability. Complete Part IV of Schedule D.			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L.			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties		98,599	24	86,140
	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.		55,851,219	25	27,188,485
	26	<b>Total liabilities.</b> Add lines 17 through 25.		279,157,334	26	253,465,927
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>					
	27	Unrestricted net assets		274,028,058	27	339,079,246
	28	Temporarily restricted net assets		26,307,590	28	29,432,103
	29	Permanently restricted net assets		5,011,031	29	5,172,450
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>					
	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	<b>Total net assets or fund balances</b>		305,346,679	33	373,683,799
	34	<b>Total liabilities and net assets/fund balances</b>		584,504,013	34	627,149,726

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	325,294,419
2	Total expenses (must equal Part IX, column (A), line 25)	2	310,375,971
3	Revenue less expenses Subtract line 2 from line 1	3	14,918,448
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	305,346,679
5	Net unrealized gains (losses) on investments	5	17,762,604
6	Donated services and use of facilities	6	0
7	Investment expenses	7	0
8	Prior period adjustments	8	0
9	Other changes in net assets or fund balances (explain in Schedule O)	9	35,656,068
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	373,683,799

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		No
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	Yes	
2c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	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)

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](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
Boulder Community Health

Employer identification number  
84-0175870

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

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

- 1

☐

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

☐

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

☒

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

An organization that normally receives (1) more than 33<sup>1</sup>/<sub>3</sub>% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33<sup>1</sup>/<sub>3</sub>% 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?

11g(i)

Yes

No

(ii)

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

11g(ii)

Yes

No

(iii)

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

11g(iii)

Yes

No

h

☐

Provide the following information about the supported organization(s)

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

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

Cat No 11285F

Schedule A (Form 990 or 990-EZ) 2013

Part II

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

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

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

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

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

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

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

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

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



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

Facts And Circumstances Test

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

SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

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

OMB No 1545-0047

2013

Open to Public  
Inspection

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

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

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

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

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

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

Name of the organization Boulder Community Health	Employer identification number 84-0175870
--	--

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

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

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

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

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

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

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

Part II-A

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

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

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

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

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

Part II-B

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		16,050
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?		No	
j	Total. Add lines 1c through 1i.			16,050
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

		Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1	
2	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3	Did the organization agree to carry over lobbying and political expenditures from the prior year?	3	

Part III-B

Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV

Supplemental Information

Provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1. Also, complete this part for any additional information.

Return Reference	Explanation
Schedule C, Part II-B, Line 1	11 45% of dues paid to the Colorado Hospital Association are spent on lobbying activities, amounting to \$8,764. 23 65% of dues paid to the American Hospital Association are spent on lobbying activities, amounting to \$8,472.

[illegible]

SCHEDULE D  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2013

Open to Public Inspection

<b>Name of the organization</b> Boulder Community Health	<b>Employer identification number</b> 84-0175870
---	---

Part I

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

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

Part II

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

1

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

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

2

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

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

3

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

4

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

5

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

☐ Yes ☐ No

6

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

7

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

8

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

☐ Yes ☐ No

9

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

Part III

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

1a

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

b

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

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

▶ \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X

▶ \$ \_\_\_\_\_

2

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

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ \_\_\_\_\_

b

Assets included in Form 990, Part X

▶ \$ \_\_\_\_\_

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

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

b ☐ Scholarly research

c ☐ Preservation for future generations

d ☐ Loan or exchange programs

e ☐ Other
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII
- 5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? 

☐ Yes ☐ No

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

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? 

☐ Yes ☐ No
- b If "Yes," explain the arrangement in Part XIII and complete the following table
- 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 . . . . .	31,318,621	23,522,148	22,231,845	20,637,790	17,569,973
b Contributions . . . . .	3,221,343	7,987,150	4,805,197	3,702,912	3,021,313
c Net investment earnings, gains, and losses	4,678,434	2,442,969	-332,547	2,390,484	3,252,269
d Grants or scholarships . . . . .	0	0	0	0	0
e Other expenditures for facilities and programs . . . . .	4,613,845	2,633,646	3,182,347	4,499,341	3,205,765
f Administrative expenses . . . . .	0	0	0	0	0
g End of year balance . . . . .	34,604,553	31,318,621	23,522,148	22,231,845	20,637,790

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as
- a Board designated or quasi-endowment 

0 %

b Permanent endowment 

15 %

c Temporarily restricted endowment 

85 %

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 . . . . .

(ii) related organizations . . . . .

	Yes	No
3a(i)		No
3a(ii)	Yes	
3b	Yes	
- b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? . . . . .
- 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 . . . . .	0	19,801,120		19,801,120
b Buildings . . . . .	0	191,801,624	114,471,973	77,329,651
c Leasehold improvements . . . . .	0	758,406	486,825	271,581
d Equipment . . . . .	0	112,688,238	81,310,391	31,377,847
e Other . . . . .	0	78,920,843	0	78,920,843
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) . . . . .				207,701,042





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	359,975,554
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments . . . . .	2a	17,762,604
b	Donated services and use of facilities . . . . .	2b	0
c	Recoveries of prior year grants . . . . .	2c	0
d	Other (Describe in Part XIII ) . . . . .	2d	18,565,065
e	Add lines 2a through 2d . . . . .	2e	36,327,669
3	Subtract line 2e from line 1 . . . . .	3	323,647,885
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	626,790
b	Other (Describe in Part XIII ) . . . . .	4b	1,019,744
c	Add lines 4a and 4b . . . . .	4c	1,646,534
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12 ) . . . . .	5	325,294,419

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	291,638,434
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities . . . . .	2a	0
b	Prior year adjustments . . . . .	2b	0
c	Other losses . . . . .	2c	0
d	Other (Describe in Part XIII ) . . . . .	2d	0
e	Add lines 2a through 2d . . . . .	2e	0
3	Subtract line 2e from line 1 . . . . .	3	291,638,434
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	626,790
b	Other (Describe in Part XIII ) . . . . .	4b	18,110,747
c	Add lines 4a and 4b . . . . .	4c	18,737,537
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18 ) . . . . .	5	310,375,971

Part XIII

Supplemental Information

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

Return Reference	Explanation
Schedule D, Part V, Line 4	Boulder Community Hospital Foundation, a related organization, holds permanent endowment funds. The income earned on these endowment funds is used to support hospital programs for diabetes, cancer, neonatology, heart and surgery center, healthcare scholarships, or for the foundation to direct if the endowment fund does not restrict how the income is to be spent. Temporarily restricted funds held by the Foundation include funds for the new Foothills medical office facilities, cancer center, as well as other hospital programs. Any Unrestricted funds held at the Foundation are for the hospital, but designation is decided by the Foundation board when granting to the hospital.
Schedule D, Part XI, Line 2d	Other of 18,565,065 included in tax return revenue but not in audited revenue includes Bad Debt Provision of -17,048,384 + Change in Foundation Net Assets of 3,318,818 + Change in Minimum Pension Liability of 32,576,886 + Amortization of Effective Loss on Swap of -239,635 + Other Expenses shown net in FS rev and Gross in Tax return of -113,441 + Auxiliary component of Temp Rest Net Assets of 70,821.
Schedule D, Part XI, Line 4b	Other of 1,019,744 = Flood Expenses of 930,805 related to the Sept 2013 Federally Declared Disaster and Auxiliary expenses reflected as Restricted Contributions in Audit of \$88939.
Schedule D, Part XII, Line 4b	Other expenses of 18,110,747 included on TR but not on Audit = Bad Debt provision of 17,048,384 + Non - Op Flood Expenses shown in net revenue on audit of 930,805 + Other non-op expenses shown in net revenue on audit of 113,441 + Auxiliary expenses reflected as Restricted Contribution in Audit of 18,117.

[illegible]

SCHEDULE F  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Statement of Activities Outside the United States

► Complete if the organization answered "Yes" to Form 990,  
Part IV, line 14b, 15, or 16.

► Attach to Form 990. ► See separate instructions.

► Information about Schedule F (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public  
Inspection

Name of the organization  
Boulder Community Health

Employer identification number  
84-0175870

Part I

General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1

For grantmakers. Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes

☐ No

2

For grantmakers. Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

3

Activites per Region (The following Part I, line 3 table can be duplicated if additional space is needed )

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
( 1 ) Sub-Saharan Africa	0	0	Program Services	The hospital is the recipient of a grant from the Department of Health and Human Services via the American International Health Alliance Training Center to help with the development of zonal laboratories in Tanzania, Africa in response to the HIV/AIDS crisis	88,769
( 2 ) Central America and the Caribbean	0	0	Investments	Passive investments in Cayman Islands have a YE market value of \$43,304,076 and incurred management fees of \$584,289	43,888,365
( 3 )					
( 4 )					
( 5 )					
3a Sub-total					
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b)	0	0			43,977,134

Part II

Grants and Other Assistance to Organizations or Entities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
( 1 )			Sub-Saharan Africa	The hospital is the recipient of a grant from the Department of Health and Human Services via the American International Health Alliance Training Center to help with the development of zonal laboratories in Tanzania, Africa in response to the HIV/AIDS crisis	0		88,769	Airfare, in-country expenses for mission, and other expenses such as books and computer supplies which totalled \$57,567 In-kind labor cost totalled \$31,202	cost
( 2 )									
( 3 )									
( 4 )									

2

Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . ▶

1

3

Enter total number of other organizations or entities . . . . . ▶

0

Part III

Grants and Other Assistance to Individuals Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 16.  
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
( 1 )							
( 2 )							
( 3 )							
( 4 )							
( 5 )							
( 6 )							
( 7 )							
( 8 )							
( 9 )							
( 10 )							
( 11 )							
( 12 )							
( 13 )							
( 14 )							
( 15 )							
( 16 )							
( 17 )							
( 18 )							

**Part IV Foreign Forms**

- 1

Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*

☒ Yes ☐ No
- 2

Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*

☐ Yes ☒ No
- 3

Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations. (see Instructions for Form 5471)*

☒ Yes ☐ No
- 4

Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*

☒ Yes ☐ No
- 5

Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with Respect to Certain Foreign Partnerships. (see Instructions for Form 8865)*

☐ Yes ☒ No
- 6

Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713).*

☐ Yes ☒ No

**Part V**

**Supplemental Information**  
Provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

990 Schedule F, Supplemental Information

Return Reference	Explanation
Schedule F, Part I, Line 2	The Tanzania, Africa project is subject to American International Health Alliance monthly grant reporting requirements. The project requires work plans to be approved by AIHA, quarterly project reporting, and monthly financial reporting.

SCHEDULE H  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
Boulder Community Health

Employer identification number  
84-0175870

Part I

Financial Assistance and Certain Other Community Benefits at Cost

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

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1) . . . .			11,830,487	4,362,456	7,468,391	2 5 %
b Medicaid (from Worksheet 3, column a) . . . . .			28,277,150	18,735,288	9,541,861	3 2 %
c Costs of other means-tested government programs (from Worksheet 3, column b) . . . .						0 %
d <b>Total</b> Financial Assistance and Means-Tested Government Programs . . . . .	0	0	40,107,637	23,097,744	17,010,252	5 7 %
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . .			295,729	55,738	239,991	0 1 %
f Health professions education (from Worksheet 5) . . . .			302,088	697	301,391	0 1 %
g Subsidized health services (from Worksheet 6) . . . .						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			772,947		772,947	0 3 %
j <b>Total</b> Other Benefits . . . .	0	0	1,370,764	56,435	1,314,329	0 5 %
k <b>Total.</b> Add lines 7d and 7j . . . .	0	0	41,478,401	23,154,179	18,324,581	6 2 %



Part II

Community Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing					
2	Economic development					
3	Community support		83,590		86,590	0 %
4	Environmental improvements					
5	Leadership development and training for community members					
6	Coalition building		3,247		3,247	0 %
7	Community health improvement advocacy					
8	Workforce development		150,073		150,073	0 1 %
9	Other					
10	Total	0	236,910	0	239,910	0 1 %

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

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

1

Yes

No

2

Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

2

17,048,384

3

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

3

1

4

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

Section B. Medicare

5

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

5

48,540,747

6

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

6

62,802,386

7

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

7

-14,261,639

8

Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used.

☐

Cost accounting system

☒

Cost to charge ratio

☐

Other

Section C. Collection Practices

9a

Did the organization have a written debt collection policy during the tax year?

9a

Yes

No

b

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

9b

Yes

No

Part IV

Management Companies and Joint Ventures

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

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1	Boulder Community Musculoskeletal Surgery Center LLC	50 %	0 %	50 %
2	Endoscopy Center of the Rockies LLC	50 %	0 %	50 %
3	Boulder Community Sleep Services LLC	45 %	0 %	55 %
4	Boulder MRI LLC	51 %	0 %	49 %
5	Foothills Surgery Center LLC	51 %	0 %	49 %
6				
7				
8				
9				
10				
11				
12				
13				

Part V

Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)  
How many hospital facilities did the organization operate during the tax year?  
2

Name, address, primary website address, and state license number

		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
	See Additional Data Table										

Part V

Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group

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

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

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
9	Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	Yes
10	Used federal poverty guidelines (FPG) to determine eligibility for providing free care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for free care 250% If "No," explain in Part VI the criteria the hospital facility used	10	Yes
11	Used FPG to determine eligibility for providing discounted care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for discounted care 400% If "No," explain in Part VI the criteria the hospital facility used	11	Yes
12	Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply)	12	Yes
a <input checked="" type="checkbox"/> Income level			
b <input checked="" type="checkbox"/> Asset level			
c <input checked="" type="checkbox"/> Medical indigency			
d <input checked="" type="checkbox"/> Insurance status			
e <input checked="" type="checkbox"/> Uninsured discount			
f <input type="checkbox"/> Medicaid/Medicare			
g <input type="checkbox"/> State regulation			
h <input type="checkbox"/> Residency			
i <input type="checkbox"/> Other (describe in Part VI)			
13	Explained the method for applying for financial assistance? . . . . .	13	Yes
14	Included measures to publicize the policy within the community served by the hospital facility? . . . . . If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	14	Yes
a <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website			
b <input checked="" type="checkbox"/> The policy was attached to billing invoices			
c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices			
e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility			
f <input checked="" type="checkbox"/> The policy was available upon request			
g <input type="checkbox"/> Other (describe in Part VI)			
Billing and Collections			
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? . . . . .	15	Yes
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP		
a <input type="checkbox"/> Reporting to credit agency			
b <input type="checkbox"/> Lawsuits			
c <input type="checkbox"/> Liens on residences			
d <input type="checkbox"/> Body attachments			
e <input type="checkbox"/> Other similar actions (describe in Section C)			
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? . . . . . If "Yes," check all actions in which the hospital facility or a third party engaged	17	No
a <input type="checkbox"/> Reporting to credit agency			
b <input type="checkbox"/> Lawsuits			
c <input type="checkbox"/> Liens on residences			
d <input type="checkbox"/> Body attachments			
e <input type="checkbox"/> Other similar actions (describe in Section C)			

Part V

Facility Information (continued)

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

☒

Notified individuals of the financial assistance policy on admission
- b

☒

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

☒

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

☒

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

☐

Other (describe in Section C)

Policy Relating to Emergency Medical Care

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

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

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



Part V

Facility Information (continued)

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

How many non-hospital health care facilities did the organization operate during the tax year? 35

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

Part VI

Supplemental Information

Provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc )
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Form and Line Reference	Explanation
Schedule H, Part I, Line 7	Ratio of Patient Care Costs to Patient Care Charges
Schedule H, Part I, Line 7, Column f	\$17,048,384



Form and Line Reference	Explanation
Schedule H, Part II	Community Support Activities include disaster readiness training in conjunction with numerous local agencies (fire, police, sheriff, other counties, other hospitals) to ensure coordinated and effective response to a disaster Coalition building includes the hospitals participation in the development of the Colorado Regional Health Information Organization (CORHIO ) and Boulder County Health Information Exchange (BCHIE), which are both electronic health exchanges aimed at promoting effective and efficient health care delivery as well as information for community health assessments Workforce development includes physician recruitment for physicians not employed by the hospital Boulder is a Medically Underserved Area for low income and Medicare
Schedule H, Part III, Section A, Line 4	2 See 4 for methodolog 3 The hospital does not have a mechanism to reasonable estimate the amount of bad debts which would reasonably relate to patients who would qualify for financial assistance under the hospitals financial assistance policy, but for whom sufficient information was not obtained to make a determination of their eligibility However, surely there are significant bad debts that would qualify for charity if the information were known 4 Footnote 2 Summary of Significant Accounting Policies (f) Patient Accounts Receivable Accounts receivable are reduced by an allowance for doubtful accounts In evaluating the collectability of accounts receivable, the Hospital 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 Hospital 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 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 Hospital records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible The difference between the standard rates (or the discounted rates if negotiated or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts The Hospitals allowance for doubtful accounts for self-pay patients decreased from 112 percent of self-pay accounts receivable at December 31, 2012, to 108 percent of self-pay accounts receivable at December 31, 2013 The allowance includes a reserve for deductible and copayments classified within insured accounts receivable at year end In addition, the Hospitals write-offs decreased approximately \$4,409,000 from approximately \$20,223,000 for the year ended December 31, 2012, to approximately \$15,814,000 for the year ended December 31, 2013 The decrease in bad debt write offs results from a focused effort to identify patients eligible for charity care and an expansion of the Hospitals prompt pay discount program

Form and Line Reference	Explanation
Schedule H, Part III, Section B, Line 8	100% and more of Line 7 Medicare shortfall should be treated as community benefit Boulder County has a demonstrated community need for physicians who accept Medicare (Many physician providers do not ) The hospital not only serves the Medicare population for hospital services, it also employs numerous primary care, internal medicine and cardiology providers who accept Medicare in order to provide our community with adequate coverage The Cost Report shortfall reported on Line 7 excludes Medicare HMO enrollee shortfalls, excludes shortfalls from ancillary procedures which are paid by fee schedule and are therefore not included in the Cost Report, and excludes the shortfall related to employed physicians serving the Medicare population The hospitals total Medicare shortfall, including these programs, is actually \$33,998,573
Schedule H, Part III, Section C, Line 9b	The hospital employs financial counselors to assist patients in determining eligibility for Medicaid, Colorado Indigent Care Program (CICP), or the hospitals charity program (WeCare) Financial arrangements with Emergency Room patients are not discussed until the patient has been assessed and treated in accordance with EMTALA The hospitals debt collection policy contains a Communications section addressing courtesy, confidentiality, cultural sensitivity, and primary language of a patient It contains a section on Billing and Collection Practices which addresses when an account will be referred to a licensed collection agency and that those agencies will treat all patients with dignity, compassion and respect, as well as adhering to Colorado State Laws and the Fair Debt Collection Act Patients may apply/reapply for financial assistance before, during or after care, or after collection agency assignment

Form and Line Reference	Explanation
Schedule H, Part VI, Line 2	In 2010 a comprehensive facilities study was performed to evaluate each of the existing hospital campuses and determine the most efficient and effective methods of delivering the safest, highest quality and efficient health care. The Hospitals Board Planning Committee uses the Community Health Needs Assessment, the Comprehensive Facilities study, as well as market and demographic studies to ensure the Hospital meets the future health care needs of our community. The Hospital is in the midst of a 10 year transitional strategy to consolidate health care delivery in order to meet the needs of the community in a safe and sustainable manner. As of October, 2014 all acute care inpatient services have been consolidated at the Foothills campus.
Schedule H, Part VI, Line 3	The Hospital employs financial counselors to assist patients in determining eligibility for Medicaid, Colorado Indigent Care Program (CICP), or the Hospitals charity program (WeCare). The hospital employs Spanish speaking financial counselors and would utilize interpreter services for other languages. Financial Assistance programs are referenced in patient discharge information, billing statements, and on the hospitals web site.

Form and Line Reference	Explanation
Schedule H, Part VI, Line 4	Age 50+
Schedule H, Part VI, Line 5	The Hospital is governed by a volunteer community board. The Hospital has an open medical staff. All surplus funds are reinvested in the hospital to fund charity, subsidize under performing health programs, develop new health programs, or as an investment in plant, equipment and technology.



Additional Data

Software ID: 13000241

Software Version: v1.00

EIN: 84-0175870

Name: Boulder Community Health

Form 990 Schedule H, Part V Section D. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

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

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

Name and address	Type of Facility (describe)
1 Community Medical Center 1000 W South Boulder Road Lafayette, CO 80026	Urgent-care center
2 Mapleton Center 311 Mapleton Ave Boulder, CO 80304	Urgent-care center
3 BCH at Boulder Medical Center 2750 Broadway Boulder, CO 80304	Urgent-care center
4 Boulder Community Musculoskeletal Surgery LLC 1136 Alpine Avenue Boulder, CO 80304	Urgent-care center
5 Endoscopy Center of the Rockies in Lafayette 1000 W South Boulder Road Suite 202 Lafayette, CO 80026	Urgent-care center
6 Endoscopy Center of the Rockies in Boulder 1755 48th Street Suite 110 Boulder, CO 80303	Urgent-care center
7 Endoscopy Cener of the Rockies in Longmont 1551 Professional Lane Suite 295 Longmont, CO 80501	Urgent-care center
8 Boulder MRI LLC 1000 W South Boulder Road Suite 105 Lafayette, CO 80026	Urgent-care center
9 Foothils Surgery Center LLC 4743 Arapahoe Avenue Suite 101 Boulder, CO 80303	Urgent-care center
10 Boulder Heart 4743 Arapahoe Avenue Suite 201 Boulder, CO 80303	Urgent-care center
11 Boulder Heart Broomfield 16677 Lowell Blvd Broomfield, CO 800238053	Urgent-care center
12 Boulder Heart Lafayette 1000 W South boulder Road Suite 216 Lafayette, CO 800262089	Urgent-care center
13 Boulder Heart Longmont 2101 Ken Pratt Blvd Suite 104 Longmont, CO 805016568	Urgent-care center
14 Internal Medicine Associates 1155 Alpine Unite 360 Boulder, CO 80304	Urgent-care center
15 Internal Medical Associates Foothills 4745 Arapahoe Ave Unit G50 Boulder, CO 80303	Urgent-care center
16 Beacon Clinic 1136 Alpine Ave Suite 205 Boulder, CO 80304	Urgent-care center
17 Boulder Community Sleep Services LLC 1000 Alpine Ave Suite 201 Boulder, CO 80304	Urgent-care center
18 Boulder Community Sleep Services LLC 13654 Xavier Lane Suite 210A Broomfield, CO 80020	Urgent-care center
19 Internal Medical Associates of Lafayette 1000 W South Boulder Rd Suite 214 Lafayette, CO 80026	Urgent-care center
20 Sports Medicine East 1000 W South Boulder Rd Suite 212 220 226 Louisville, CO 80026	Urgent-care center
21 Buffalo Ridge Medical Center 16677 Lowell Blvd Broomfield, CO 80023	Urgent-care center
22 Center for Integrative Care 4715 Arapahoe Unit 100 Boulder, CO 80303	Urgent-care center
23 Broomfield Imaging 36 Garden Center Broomfield, CO 80020	Urgent-care center
24 IMA at Balfour Clinic 1336 Hecla Drive Louisville, CO 80027	Urgent-care center
25 Community Medical Associates of Lafayette 401 E Cleveland Street Lafayette, CO 80026	Urgent-care center
26 Frontier Internal Medicine 2101 Ken Pratt Blvd Ste 104 Longmont, CO 80501	Urgent-care center
27 Holistic Family Practice 1155 Alpine Avenue Suite 360 Boulder, CO 80304	Urgent-care center
28 Northwest Family Medicine 500 Discovery Parkway Suite 150 Superior, CO 80027	Urgent-care center
29 Family Medical Associates 1000 W South Boulder Rd Suite 110 Lafayette, CO 80026	Urgent-care center
30 Table Mesa Family Medicine 1755 48th St Suite 200 Boulder, CO 80303	Urgent-care center
31 Boulder Community Hospital Occupational Medicine 4745 Arapahoe Ave Suite G40 Boulder, CO 80303	Urgent-care center
32 Gunbarrel Medical Center 6685 Gunpark Drive Suite 110 Boulder, CO 80301	Urgent-care center
33 Spruce Street Internal Medicine 2575 Spruce Street Boulder, CO 80302	Urgent-care center
34 Associated Neurologists of Boulder 1155 Alpine Suite 320 Boulder, CO 80304	Urgent-care center
35 Dakota Ridge Medical Center 2995 Baseline Road Suite 210 Boulder, CO 80303	Urgent-care center
36 BMC East Laboratory 80 Health Park Dr Louisville CO, CO 80027	Urgent-care center

Part I General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . .

☒ Yes ☐ No
- 2

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

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) Boulder County Fire Fighters Assoc Sunshine Fire Protection District po bOX 7461 Golden,CO 80302	84-6000600	501 (c) 3	22,000	0	FMV		support for local fire association
(2) Boulder Valley Women's Health Center 2855 Valmont Rd Boulder,CO 803011374	84-0645786	501 (c) 3	12,500	0	FMV		to support women's health
(3) Boulder Valley School District 6500 E Arapahoe Boulder,CO 80303	84-6014683	501 (c) 3	0	68,277	Cost	Provide athletic trainer to school district	Support high school athletics and help to reduce student athlete injuries
(4) Boulder Chamber of Commerce dba Boulder Economic Council 2440 Pearl St Boulder,CO 80302	84-0152700	501 (c) 6	5,250	0	FMV		to support the business sector necessary to sustain the cultural amenities, education, transit, open space and other facets of the Boulder community
(5) Boulder Shelter for the Homeless Inc 4869 N Broadway Boulder,CO 80304	84-1041149	501 (c) 3	10,000	0	FMV		to support respite care for the homeless
(6) The Community Foundation 1123 Spruce St Boulder,CO 80302	84-1171836	501 (c) 3	11,000	0	FMV		to support civic forum on health care and sponsorship of the Conversation project
(7) Justin Parker Neurological Institue 4743 Arapahoe Ave Ste 202 Boulder,CO 80303	26-3588986	501 (c) 3	10,000	0	FMV		To support education related to brain and trauma disorders
(8) Via 2855 N 63rd Street Boulder,CO 80301	84-0777296	501 (c) 3	15,000	0	FMV		Support for transportaion of the disabled

**Part III**

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

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
(1) Healthcare educational scholarships	24	36,250	0	cost	
(2) Assistance with chemotherapy treatment expenses, mammography expenses and other cancer related expenses	27	5,911	0	cost	
(3) Charity drugs given after discharge	24		5,710	cost	Pharmaceutical prescriptions filled at cost for patients discharged with inability to pay
(4) Temporary housing for homeless post discharge	25	18,354		cost	Temporary housing provided to indigent for respite care
(5) Transportation, meals, and cobra payments for indigent	446	14,549		cost	
(6) Assistance fund for IP rehab patients	11	4,605		cost	Support for patients and family with living and medical expenses

**Part IV**

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

Return Reference	Explanation
Schedule I, Part I, Line 2	Grants are only made to non profit agencies supporting our local community with health and welfare services Grants in excess of \$10,000 are specifically approved by the hospital board of directors during the budget process The CEO has a discretionary budget allocation for which he may approve disbursements less than \$10,000 Monitoring of grants over \$10,000 is done by having representation on their non profit board Scholarship applications for healthcare education are reviewed by a committee, and payments are sent directly to the schools on the students behalf with a letter indicating the money should be returned to the hospital if the student does not register



Additional Data

Software ID: 13000241  
Software Version: v1.00  
EIN: 84-0175870  
Name: Boulder Community Health

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Boulder County Fire Fighters Assoc Sunshine Fire Protection District po bOX 7461 Golden,CO 80302	84-6000600	501 (c) 3	22,000	0	FMV		support for local fire association

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Boulder Valley Women's Health Center 2855 Valmont Rd Boulder, CO 803011374	84-0645786	501 (c) 3	12,500	0	FMV		to support women's health

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Boulder Valley School District 6500 E Arapahoe Boulder,CO 80303	84-6014683	501 (c) 3	0	68,277	Cost	Provide athletic trainer to school district	Support high school athletics and help to reduce student athlete injuries

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Boulder Chamber of Commerce dba Boulder Economic Council 2440 Pearl St Boulder, CO 80302	84-0152700	501 (c) 6	5,250	0	FMV		to support the business sector necessary to sustain the cultural amenities, education, transit, open space and other facets of the Boulder community

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Boulder Shelter for the Homeless Inc 4869 N Broadway Boulder, CO 80304	84-1041149	501 (c) 3	10,000	0	FMV		to support respite care for the homeless

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
The Community Foundation 1123 Spruce St Boulder, CO 80302	84-1171836	501 (c) 3	11,000	0	FMV		to support civic forum on health care and sponsorship of the Conversation project

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Justin Parker Neurological Institue 4743 Arapahoe Ave Ste 202 Boulder, CO 80303	26-3588986	501 (c) 3	10,000	0	FMV		To support education related to brain and trauma disorders

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Via 2855 N 63rd Street Boulder, CO 80301	84-0777296	501 (c) 3	15,000	0	FMV		Support for transportaion of the disabled



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](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
Boulder Community Health

Employer identification number  
84-0175870

Part I

Questions Regarding Compensation

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

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

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

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

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

Part III Supplemental Information

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

Also complete this part for any additional information

Return Reference	Explanation
Schedule J, Part I, Line 1a	The hospital pays for board member companion travel at its annual educational conference. Companion travel is reported as Misc Income on the 1099 of the board member.
Schedule J, Part I, Line 1b	Travel for companions is only reimbursed for board members attending the annual educational conference. Companion travel is reimbursed based upon substantiated receipts and is reported as Miscellaneous Income on 1099 of the board member. In all other circumstances, companion travel is not reimbursable by the hospital.
Schedule J, Part I, Line 3	The hospital has a Compensation Committee as specified by the bylaws of the hospital (Article V, D). The Compensation Committee is comprised of the Chairman, Vice Chairman, Secretary and a member of the Finance Committee. The committee meets approximately three times per year to review the CEO compensation and approve annual contract changes. Compensation and contract changes are reported to the Board. The Committee engages a consulting firm to provide comparative compensation studies for similarly qualified persons in functionally comparable positions at similarly situated organizations. Compensation study and performance review are considered in developing the compensation decision. Compensation ranges and Benefit changes for Vice President level employees are reviewed and approved by the Compensation Committee if they are outside of hospital wide treatment. Compensation studies are also used for VP level assessment. All Compensation Committee meetings are formally documented through minutes.
Schedule J, Part I, Line 4	Ln 4b- The hospital contributes to a nonqualified 457(f) plan for the benefit of its executive leadership. Participants include: Paul Lewis Jr, VP & Chief Medical Officer (\$61,373 contributed), William Munson Jr, VP & CFO (\$45,546 contributed), Sarah Meshak, VP & General Counsel (\$37,691 contributed), James Peters, VP (\$24,220 contributed), Linda Minghella, VP & CIO (\$35,115 contributed), Ron Secrist, Foundation President (\$14,948 contributed), and Jacqueline Attlessey-Pries, VP & CNO (\$44,442) contributed.
Schedule J, Part I, Line 7	The hospital has an Incentive Compensation Plan for Vice Presidents and Directors whereby a percentage of base salary is paid out if goals are met and if authorized by the Board of Directors. For Vice-Presidents, one-third of their incentive is based upon the Hospital meeting at least 85% of its budgeted net operating income before interest expense. One-third VP incentive is based on Safety goals and one-third is based on Performance Goals. The one-third financial goal for Directors is based on meeting their departmental financial targets, as well as a one-third safety goal and a one-third performance goal.

**Additional Data****Software ID:** 13000241**Software Version:** v1.00**EIN:** 84-0175870**Name:** Boulder Community Health**Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
David Gehant Exec Director/CEO	(i) (ii)	867,621 0	0 0	40,500 0	20,860 0	21,593 0	950,574 0	0
Paul Kenneth Lewis Jr VP & Chief Medical Officer	(i) (ii)	299,989 0	45,072 0	35,058 0	82,233 0	22,547 0	484,899 0	0
William A Munson Jr VP & CFO	(i) (ii)	257,752 0	70,658 0	35,000 0	66,406 0	25,566 0	455,382 0	0
Jacqueline M Attlesey-Pries VP & Chief Nursing Officer	(i) (ii)	210,109 0	31,105 0	17,665 0	47,985 0	23,495 0	330,359 0	0 0
Sarah E Meshak VP & General Counsel	(i) (ii)	168,202 0	49,878 0	35,252 0	54,300 0	1,220 0	308,852 0	0 0
James Peters VP	(i) (ii)	164,757 0	41,176 0	40,500 0	41,358 0	19,800 0	307,591 0	0 0
Ronald Secrist BCH Foundation President	(i) (ii)	167,500 0	18,183 0	23,000 0	30,085 0	18,812 0	257,580 0	0 0
Linda S Minghella VP & Chief Information Officer	(i) (ii)	151,568 0	37,611 0	40,500 0	50,789 0	689 0	281,157 0	0 0
Jamie D Jensen Physician Clinic COO	(i) (ii)	132,511 0	23,650 0	17,482 0	13,125 0	25,096 0	211,864 0	0 0
Sameer A Oza Physician	(i) (ii)	483,982 0	165,124 0	35,000 0	32,785 0	21,599 0	738,490 0	28,960 0
Jamie J Doucet Physician	(i) (ii)	484,329 0	114,080 0	35,000 0	32,785 0	22,311 0	688,505 0	0
Nelson P Trujillo Jr Physician	(i) (ii)	475,865 0	126,352 0	40,500 0	32,785 0	21,599 0	697,101 0	28,960 0
Daniel S White Physician	(i) (ii)	478,476 0	128,902 0	35,000 0	32,785 0	23,464 0	698,627 0	28,960 0
John A Schutz Physician	(i) (ii)	479,459 0	125,371 0	35,000 0	32,785 0	22,602 0	695,217 0	28,960 0

Schedule K  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
Boulder Community Health

Employer identification number  
84-0175870

Part I

Bond Issues

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A Colorado Health Facilities Authority	84-0752932	19648AVF9	12-01-2010	93,535,431	Foothills expansion, balance for debt refunding		X		X		X
B Colorado Health Facilities Authority	84-0752932	19648AZL2	08-28-2012	31,748,673	Foothills hospital expansion		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	5,645,000		0					
2	Amount of bonds legally defeased	0		0					
3	Total proceeds of issue	93,716,361		31,816,782					
4	Gross proceeds in reserve funds	0		0					
5	Capitalized interest from proceeds	0		0					
6	Proceeds in refunding escrows	0		0					
7	Issuance costs from proceeds	1,080,618		452,449					
8	Credit enhancement from proceeds	0		0					
9	Working capital expenditures from proceeds	0		0					
10	Capital expenditures from proceeds	25,180,893		29,281,683					
11	Other spent proceeds	67,458,941		0					
12	Other unspent proceeds	30		2,082,651					
13	Year of substantial completion	2014		2014					
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X			X				
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?		X		X				
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III

Private Business Use

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

Part III

Private Business Use (Continued)

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

Part IV

Arbitrage

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

Part IV Arbitrage (Continued)

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

Part V Procedures To Undertake Corrective Action

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

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

Return Reference	Explanation
Schedule K, Part I, Column e-12/01/2010 93,535,431 Colorado Health Facilities	Ln A(e) \$93,535,431 < Pt II Ln 3(A) 93,716,361 by the cum trust fund interest inc of \$180,930
Schedule K, Part I, Column e-08/28/2012 31,748,673 Colorado Health Facilities	Ln B(e) \$31,748,673 < Pt II Ln 3(B)of \$31,816,782 by the cumulative trust fund interest inc of \$68,109
Schedule K, Part II, Line 3-12/01/2010 93,535,431 Colorado Health Facilities	Lns 4 thru 12>Ln 3 by 4,121= amount transferred to 2010 COI Fd from close-out of the 2003 Bond Fund
Schedule K, Part II, Line 11-12/01/2010 93,535,431 Colorado Health Facilities	Inculdes refunding amounts 1994B \$14,546,298, 2003A \$26,456,321, 2003B \$26,456,321

Schedule L  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

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

OMB No 1545-0047  
**2013**  
Open to Public Inspection

Name of the organization  
Boulder Community Health

Employer identification number  
84-0175870

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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



**Part IV Business Transactions Involving Interested Persons.**

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Boulder Valley Pulmonology PC	Dr Randal Bjerke,Boardmember, is a > 5% member of Boulder Valley Pulmonology PC	365,507	Boulder Valley Pulmonology PC was paid \$351,557 for the provision of intensivist coverage in the ICU , and \$13,950 for trauma call coverage		No
(2) Boulder Medical Center PC (BMC)	Dr Fries, boardmember, is a board member of BMC and a pediatrician with BMC	650,907	The hospital paid BMC \$352,055for ER trauma call coverage provided by the physicians who are a part of BMC The hospital paid BMC \$298,852 under a lab and imaging space lease agreement The hospital has an agreement with BMC to provide on-site lab and imaging services to BMC patients All lab and imaging charges are billed directly to patients and third party insurances by the hospital		No

**Part V Supplemental Information**

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

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

2013

Open to Public Inspection

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.

Name of the organization

Boulder Community Health

Employer identification number

84-0175870

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section A, Line 4	
Form 990, Part VI, Section B, Line 11b	Form 990 is prepared by the Controller based upon audited financial statements. The 990 is reviewed by the nonprofit tax manager of our external audit firm, by the CEO, COO, CFO, V P & General Counsel, Compliance Officer, and the Audit Committee of the Board of Directors. Final copies are provided to each voting Board member electronically before filing with the IRS.
Form 990, Part VI, Section B, Line 12c	The hospital has a Conflict of Interest policy for staff, A Conflict of Interest policy for Board Members, and a Conflict of Interest disclosure form for physicians serving on committees. Boardmembers complete an annual Statement of Interest form which discloses employment, family member employment, business relationships, service on other Boards or governance positions and identifies other conflicts of interest. The Statement of Interest also identifies transactions requiring disclosure.
Form 990, Part VI, Section B, Line 15	The hospital has a Compensation Committee as specified by the bylaws of the hospital (Article V, D). The Compensation Committee is comprised of the Chairman, Vice Chairman, Secretary and a member of the Finance Committee. The committee meets approximately three times per year to review the CEO compensation and approve annual contract changes. Compensation and contract changes are reported to the Board. The Committee engages a consulting firm to provide comparative compensation studies for similarly qualified persons in functionally comparable positions at similarly situated organizations. Compensation study and performance review are considered in developing the compensation decision. Compensation ranges and Benefit changes for Vice President level employees are reviewed and approved by the Compensation Committee if they are outside of hospital wide treatment. Compensation studies are also used for VP level assessment. All Compensation Committee meetings are formally documented through minutes.
Form 990, Part VI, Section C, Line 19	The hospital's web site is www.bch.org. The web site includes the hospital's Mission, Vision and Beliefs Statement. The web site includes our Financial Assistance policies. It also includes the Annual Report which contains the hospital Board members, key financial data, and information on new programs, patient safety and quality, and community benefits. The web site also has a section for Compliance policies including the Code of Conduct and Conflict of Interest. Annual audited financial statements are made available to the public at the Annual Meeting of The Community Hospital Association. The tax return is made available to anyone who requests the return through our Public Information Office.
Form 990, Part XI, Line 9	Other Change in Net Assets of \$35,656,068 = Change in Foundation Assets of 3,318,818 plus Change in Minimum Pension Liability of 32,576,886 plus charge for amortization of ineffective loss on swap of -239,635 plus -1 rounding.

SCHEDULE R  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
Boulder Community Health

Employer identification number  
84-0175870

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

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.							
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) Boulder Community Hospital Foundation  1155 Alpine Avenue Suite G40 Boulder, CO 80304 84-0772664	Fundraising for hosp	CO	501(c)3	509(a)3	N/A		No

Part III

Identification of Related Organizations Taxable as a Partnership

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end- of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) Boulder Community Musculoskeletal Surgery Center LLC  1136 Alpine Avenue Boulder, CO 80304 20-1391702	Outpatient surgery center	CO	N/A	Related	1,878,894	1,212,487		No	0		No	50 %
(2) Endoscopy Center of the Rockies LLC  382 S Arthur Ave Ste 140 Louisville, CO 80027 84-1562782	Outpatient Endoscopy	CO	N/A	Related	4,082,493	923,058		No	0		No	50 %
(3) Boulder Community Sleep Services LLC  1100 Balsam Ave Boulder, CO 80304 26-2429064	Sleep Lab Services	CO	N/A	Related	150,637	41,484		No	0	Yes		45 %
(4) Boulder MRI LLC  1000 W South Boulder Road Suite 105 Lafayette, CO 80026 45-2676500	outpatient MRI center	CO	The Community Hospital Association dba Boulder Community Hospital	Related	822,845	387,489		No	0		No	51 %
(5) Foothills Surgery Center LLC  4743 Arapahoe Avenue Suite 101 Boulder, CO 80303 45-5328252	Ambulatory Surgical Center	CO	N/A	Related	-561,974	2,993,717		No	0		No	51 %

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

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

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

Part V

Transactions With Related Organizations

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

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

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

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

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

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

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

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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

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

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

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

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

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

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

Yes

No

1a

No

1b

Yes

1c

Yes

1d

Yes

1e

No

1f

No

1g

No

1h

Yes

1i

No

1j

Yes

1k

No

1l

No

1m

Yes

1n

No

1o

No

1p

No

1q

Yes

1r

No

1s

No

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
See Additional Data Table			

Schedule R (Form 990) 2013

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

[illegible]

Part VII

Supplemental Information

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

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

## Additional Data

**Software ID:** 13000241  
**Software Version:** v1.00  
**EIN:** 84-0175870  
**Name:** Boulder Community Health

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
Boulder Community Musculoskeletal Surgery Center LLC	c	1,800,000	K-1
Boulder Community Musculoskeletal Surgery Center LLC	j	701,205	Lease receipts
Boulder Community Musculoskeletal Surgery Center LLC	q	62,151	Recap of expenditures reimbursed per contract
Endoscopy Center of the Rockies LLC	c	4,200,000	K-1
Boulder Community Sleep Services LLC	c	134,721	K-1
Boulder Community Sleep Services LLC	q	453,687	Reimbursement per Contract for Services
Boulder Community Sleep Services LLC	m	826,500	Payment per Contract for Services
Boulder MRI LLC	c	1,045,000	K-1
Boulder MRI LLC	d	1,338,750	Loan Guaranty document (not > ownership %)
Boulder MRI LLC	j	51,305	Lease Agreement
Boulder MRI LLC	q	65,550	Receipts from PACS agreement
Foothills Surgery Center LLC	b	725,135	K-1
Foothills Surgery Center LLC	d	1,367,298	Loan Document 35% of Loan outstanding at YE
Foothills Surgery Center LLC	j	1,817,297	Review of Lease \$ 260,730 was received in monthly lease payments, \$1,556,567 was received for Excess Tenant Finish above TI allowance
Boulder Community Sleep Services LLC	h	112,000	FMV



# **Boulder Community Health**

Financial Statements  
(With Independent Auditor's Reports Thereon)  
December 31, 2013 and 2012

**BOULDER COMMUNITY HEALTH**  
December 31, 2013 and 2012

**Contents**

<b>Independent Auditor's Report.....</b>	<b>1</b>
--	----------

**Financial Statements**

Balance Sheets	3
Statements of Operations	4
Statements of Changes in Net Assets	6
Statements of Cash Flows	7
Notes to Financial Statements	9

## Independent Auditor's Report

Board of Directors  
Boulder Community Health  
Boulder, Colorado

We have audited the accompanying financial statements of Boulder Community Health (formerly The Community Hospital Association d/b/a Boulder Community Hospital) (the Hospital), which comprises the balance sheets as of December 31, 2013 and 2012, and the related statements of operations, 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 opinions 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. 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 Hospital'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 Hospital'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.

*Praxis*

Board of Directors  
Boulder Community Health

***Opinion***

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

*BKD, LLP*

Denver, Colorado  
April 29, 2014

**BOULDER COMMUNITY HEALTH****Balance Sheets****December 31, 2013 and 2012**

<b>Assets</b>	<b>2013</b>	<b>2012</b>
Current assets		
Cash and cash equivalents	\$ 15,207,292	\$ 6,748,498
Assets limited as to use required for current liabilities	12,041,157	9,575,791
Accounts receivable from patient services, net of allowances for uncollectible accounts of approximately \$13,285,000 and \$12,001,000 in 2013 and 2012, respectively	35,009,275	35,303,088
Supplies inventory	2,688,827	2,871,946
Current note receivable	8,625,000	-
Prepaid expenses and other current assets	7,190,792	4,889,044
Total current assets	80,762,343	59,388,367
Assets limited as to use, net of current portion	300,769,212	323,397,647
Land, buildings, and equipment, net	207,701,041	171,335,480
Unamortized bond issuance costs, net	1,394,537	1,513,570
Other	10,400,315	10,134,597
Interest in net assets held by Boulder Community Hospital Foundation	34,277,582	30,958,764
Total assets	<u>\$ 635,305,030</u>	<u>\$ 596,728,425</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Current maturities of long-term debt	\$ 7,730,000	\$ 7,425,000
Accounts payable	13,668,950	10,862,206
Accounts payable – construction	8,537,386	6,186,432
Accrued salaries, wages, and employee benefits	10,520,252	11,084,420
Accrued vacation and sick pay	9,461,705	9,632,978
Accrued interest	1,128,389	1,197,944
Deferred gain on sale	6,672,024	-
Other current liabilities	4,555,273	4,358,792
Estimated settlement due to third parties	2,946,304	3,525,530
Total current liabilities	65,220,283	54,273,302
Accrued pension benefit liability	21,952,471	51,753,295
Derivative liability	8,155,305	12,224,411
Long-term debt, net of current maturities	161,057,158	169,032,814
Other long-term liabilities	5,236,014	4,097,924
Total liabilities	261,621,231	291,381,746
Net assets		
Unrestricted	339,079,246	274,028,058
Temporarily restricted		
Held by Boulder Community Hospital	326,971	359,857
Held by Boulder Community Hospital Foundation	29,105,132	25,947,733
Total temporarily restricted net assets	29,432,103	26,307,590
Permanently restricted		
Held by Boulder Community Hospital Foundation	5,172,450	5,011,031
Total net assets	373,683,799	305,346,679
Commitments and contingencies		
Total liabilities and net assets	<u>\$ 635,305,030</u>	<u>\$ 596,728,425</u>

**BOULDER COMMUNITY HEALTH**  
Statements of Operations

Years Ended December 31, 2013 and 2012

	<b>2013</b>	<b>2012</b>
Unrestricted revenue and other support		
Net patient service revenue	\$ 290,558,393	\$ 291,250,759
Provision for uncollectible patient accounts	(17,048,384)	(18,326,057)
Net patient service revenue less provision for uncollectible accounts	273,510,009	272,924,702
Other operating revenue	14,773,361	18,584,482
Net assets released from restrictions – operations	1,402,111	1,302,947
Total unrestricted revenue and other support	<u>289,685,481</u>	<u>292,812,131</u>
Expenses		
Salaries, wages, and employee benefits	155,742,901	149,908,846
Supplies and other	89,221,330	88,509,024
Medicaid Provider Fee	17,976,220	15,750,703
Specialists' fees	8,705,979	6,368,336
Depreciation	17,422,698	17,663,498
Interest and amortization	2,569,306	2,872,543
Total expenses	<u>291,638,434</u>	<u>281,072,950</u>
Operating income (loss)	<u>(1,952,953)</u>	<u>11,739,181</u>
Other income (expense)		
Investment income	4,813,728	7,863,501
Realized gain on investments	11,802,908	4,038,718
Other, net of \$921,100 and \$1,190,187 in 2013 and 2012, respectively, in nonoperating depreciation expense	<u>(328,878)</u>	<u>1,589,555</u>
Other income (expense), excluding interest rate swaps and other than temporary investment impairment losses	<u>16,287,758</u>	<u>13,491,774</u>
Unrestricted revenue and gains in excess of expenses before unrealized gains on interest rate swaps and unrealized gains on investments	<u><u>\$ 14,334,805</u></u>	<u><u>\$ 25,230,955</u></u>

**BOULDER COMMUNITY HEALTH**  
**Statements of Operations (continued)**  
**Years Ended December 31, 2013 and 2012**

	<u><b>2013</b></u>	<u><b>2012</b></u>
Unrestricted revenue and gains in excess of expenses before unrealized gains on interest rate swaps and unrealized gains on investments	\$ 14,334,805	\$ 25,230,955
Unrealized gains on interest rate swaps and investments		
Unrealized gain on interest rate swaps, net of \$1,447,741 and \$1,572,271 in 2013 and 2012, respectively, in interest (income) expense	2,861,000	2,796,905
Change in net unrealized gain on marketable securities	13,453,863	18,375,749
	<u>16,314,863</u>	<u>21,172,654</u>
Unrestricted revenue and gains in excess of expenses	30,649,668	46,403,609
Other changes in unrestricted net assets		
Amortization of previously recognized loss on ineffective interest rate swap	(239,635)	(239,635)
Net assets released from restriction used to purchase equipment	2,064,269	61,338
Change in minimum pension liability	32,576,886	(18,768,513)
Increase in unrestricted net assets	<u>\$ 65,051,188</u>	<u>\$ 27,456,799</u>

**BOULDER COMMUNITY HEALTH**  
**Statements of Changes in Net Assets**  
**Years Ended December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
Unrestricted net assets		
Unrestricted revenue and gains in excess of expenses	\$ 30,649,668	\$ 46,403,609
Amortization of previously recognized loss on ineffective interest rate swap	(239,635)	(239,635)
Net assets released from restriction used to purchase equipment	2,064,269	61,338
Change in minimum pension liability	32,576,886	(18,768,513)
Increase in unrestricted net assets	<u>65,051,188</u>	<u>27,456,799</u>
Temporarily restricted net assets		
Contributions received	3,433,494	1,342,436
Net assets released from restriction		
Capital acquisitions	(2,064,269)	(61,338)
Operations	<u>(1,402,111)</u>	<u>(1,302,947)</u>
Decrease in temporarily restricted net assets held by Boulder Community Hospital	(32,886)	(21,849)
Net change in assets held by Boulder Community Hospital Foundation	<u>3,157,399</u>	<u>7,682,543</u>
Total increase in temporarily restricted net assets	<u>3,124,513</u>	<u>7,660,694</u>
Permanently restricted net assets		
Net change in assets held by Boulder Community Hospital Foundation	<u>161,419</u>	<u>135,779</u>
Increase in permanently restricted net assets	<u>161,419</u>	<u>135,779</u>
Increase in net assets	68,337,120	35,253,272
Net assets, beginning of year	<u>305,346,679</u>	<u>270,093,407</u>
Net assets, end of year	<u><u>\$ 373,683,799</u></u>	<u><u>\$ 305,346,679</u></u>



**BOULDER COMMUNITY HEALTH**  
**Statements of Cash Flows**  
**Years Ended December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
Cash flows from operating activities		
Change in net assets	\$ 68,337,120	\$ 35,253,272
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Realized and unrealized change in assets owned by Boulder Community Hospital Foundation	(3,318,818)	(7,818,322)
Change in net realized and unrealized gains or loss on marketable securities	(25,256,771)	(22,414,467)
Income from medical joint ventures	(6,196,629)	(6,564,409)
Depreciation	17,422,698	17,663,498
Amortization of bond issuance costs and other	293,041	419,621
Amortization of bond premiums	(303,197)	(255,102)
Loss (gain) on disposition of assets	188,028	(749,431)
Provision for uncollectible patient accounts	17,048,384	18,326,057
Change in minimum pension liability	(32,576,886)	18,768,513
Unrealized gain on interest rate swaps	(4,069,106)	(4,129,541)
Changes in operating assets and liabilities		
Accounts receivable	(16,754,571)	(16,205,013)
Supplies inventory	183,119	239,164
Prepaid expenses and other current assets	(2,301,748)	(298,260)
Other assets	(1,391,434)	(2,660,675)
Accounts payable	(3,379,689)	110,149
Accrued salaries, wages, and employee benefits	(564,168)	1,138,516
Accrued vacation and sick pay	(171,273)	516,248
Accrued interest	(69,555)	295,053
Other current liabilities	196,481	1,991,853
Accrued pension benefit liability	2,776,062	1,391,278
Estimated settlement due to third parties	(579,226)	519,787
Net cash provided by operating activities	<u>9,511,862</u>	<u>35,537,789</u>
Cash flows from investing activities		
Acquisition of land, buildings, and equipment	(57,539,977)	(41,993,857)
Proceeds from sales of land, buildings, and equipment	10,148,101	7,651,109
Payments received for notes receivable	709,858	185,341
Investments in medical joint ventures	(730,135)	(555,395)
Distributions from medical joint ventures	7,180,221	6,524,409
Purchases of investments	(66,758,162)	(89,944,545)
Sales and maturities of investments	<u>112,178,002</u>	<u>61,915,543</u>
Net cash provided by (used in) investing activities	<u>5,187,908</u>	<u>(56,217,395)</u>

**BOULDER COMMUNITY HEALTH**  
**Statements of Cash Flows (continued)**  
**Years Ended December 31, 2013 and 2012**

	<b>2013</b>	<b>2012</b>
Cash flows from financing activity		
Proceeds from issuance of long-term debt	\$ -	\$ 31,748,673
Repayment/repurchase of bonds and other debt	(7,367,459)	(6,569,875)
Payment of deferred financing costs	(11,607)	(448,343)
Net cash provided by (used in) financing activity	(7,379,066)	24,730,455
Net increase in cash and cash equivalents	7,320,704	4,050,849
Cash and cash equivalents, beginning of year	6,748,498	2,697,649
Cash and cash equivalents, end of year	<u>\$ 14,069,202</u>	<u>\$ 6,748,498</u>
Supplemental cash flows information		
Property and equipment financed in accounts payable	<u>\$ 8,537,387</u>	<u>\$ 6,186,432</u>
Interest paid (net of amount capitalized)	<u>\$ 2,646,483</u>	<u>\$ 2,407,587</u>
Note receivable and deferred gain for sale of building (Note 5)		
Note receivable	<u>\$ 8,625,000</u>	<u>\$ -</u>
Deferred gain on sale	<u>\$ 6,672,024</u>	<u>\$ -</u>

## **BOULDER COMMUNITY HEALTH**

### **Notes to Financial Statements**

December 31, 2013 and 2012

#### **(1) Organization**

Boulder Community Health (the Hospital) is a not-for-profit corporation located in Boulder, Colorado that was incorporated in 1922. On April 22, 2014, the Hospital changed its name to Boulder Community Health from The Community Hospital Association d/b/a Boulder Community Hospital.

Governed by a 15-member Board of Directors, the Hospital owns and operates the Broadway Hospital, a general acute care hospital with 211 licensed beds (of which 121 are staffed) and the Foothills Hospital, a general acute care hospital specializing in women's and children's services with 54 licensed beds (46 of which are staffed). In addition, the Hospital operates a network of health care facilities offering preventive, ambulatory, specialty, home care, secondary, and tertiary services located in Boulder and Broomfield counties.

Boulder Community Hospital Foundation (the Foundation) was incorporated in August 1978 to solicit and receive contributions for the Hospital's benefit. In the absence of donor restrictions, the Foundation's Board of Directors has discretionary control over the amounts to be distributed to the Hospital, the timing of such distributions, and the purposes for which such funds are to be used. One member of the Hospital's Board of Directors serves on the 20-member Board of Directors of the Foundation.

Under accounting principles generally accepted in the United States of America, the Hospital is deemed to be a financially interrelated beneficiary of the Foundation. Therefore, the net assets of the Foundation have been shown on the Hospital's balance sheets as net assets held by the Boulder Community Hospital Foundation. The net assets held by the Foundation are reflected in temporarily and permanently restricted net assets. Contributions made by the Foundation to the Hospital during the years ended December 31, 2013 and 2012 were approximately \$2,715,000 and \$471,000, respectively.

#### **(2) Summary of Significant Accounting Policies**

##### ***(a) 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 revenue and expenses during the reporting period. Actual results could differ significantly from those estimates.

##### ***(b) Cash and Cash Equivalents***

Cash and cash equivalents include investments in highly liquid debt instruments with an original maturity of three months or less, excluding amounts whose use is limited by the Board of Directors or other arrangements under trust agreements.

At December 31, 2013, the Hospital's cash accounts exceeded federally insured limits by approximately \$16,203,000.

## **BOULDER COMMUNITY HEALTH**

### **Notes to Financial Statements**

December 31, 2013 and 2012

*(c) Investments and Investment Income*

Investments in equity securities with readily determinable fair values and marketable debt securities are carried at fair value based on the most recent market quotations

For equity funds and international equity funds that are not publicly traded, fair values are based on the underlying investments, which are publicly traded. For alternative investments, which include fund of funds investments, fair values are based on estimates or net asset values reported by fund managers where quoted market prices do not exist. The Hospital reviews and evaluates the estimated values by comparing them to audited financial statements of the funds and other similar procedures

Investment income on proceeds of borrowings that are held by a trustee, to the extent not capitalized, is reported as other operating revenue. Investment income and realized gains and losses from all other investments are reported as other income

The Hospital treats its investments as trading resulting in the gains and losses being included in unrestricted revenue and gains in excess of expenses in the statement of operations

*(d) Assets Limited as to Use*

Assets limited as to use include assets set aside by the Board of Directors for future capital improvements (funded depreciation) over which the Board retains control (and may, at its discretion, subsequently use for other purposes), assets held by trustees under indenture agreements, and self-insurance funds held by trustees

*(e) Financial Instruments*

Financial instruments consist of cash and cash equivalents, patient accounts receivable, assets limited as to use, interest rate swap agreements, notes receivable, accounts payable, and long-term debt. The carrying amounts reported in the balance sheets for cash equivalents, patient accounts receivable, assets limited as to use, interest rate swap agreements, notes receivable, and accounts payable approximate fair value. The estimated fair value of long-term debt is discussed in Note 9

*(f) Patient Accounts Receivable*

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the Hospital 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 Hospital 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

## **BOULDER COMMUNITY HEALTH**

### **Notes to Financial Statements**

**December 31, 2013 and 2012**

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 Hospital records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Hospital's allowance for doubtful accounts for self-pay patients decreased from 112% of self-pay accounts receivable at December 31, 2012, to 108% of self-pay accounts receivable at December 31, 2013. The allowance includes a reserve for deductible and copayments classified within insured accounts receivable at year-end. In addition, the Hospital's write-offs decreased approximately \$4,409,000 from approximately \$20,223,000 for the year ended December 31, 2012, to approximately \$15,814,000 for the year ended December 31, 2013. The decrease in bad debt write-offs results from a focused effort to identify patients eligible for charity care and an expansion of the Hospital's prompt pay discount program.

*(g) Supplies Inventory*

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

*(h) Land, Buildings, and Equipment*

Land, buildings, and equipment are recorded at cost when purchased or at fair value when received by donation. Improvements and replacements are capitalized, and repairs and maintenance are expensed in the period incurred. The cost and accumulated depreciation for property sold or retired is removed from the accounts, and the resulting gain or loss is reflected as other income (loss).

The provision for depreciation is calculated using the straight-line method, which allocates the cost of the properties equally over their estimated useful lives. Depreciable lives range from 10 to 13 years for land improvements, 20 to 40 years for buildings, 12 to 15 years for building improvements, 14 to 16 years for building service equipment, and 3 to 6 years for equipment.

*(i) Joint Ventures*

Investments in joint ventures are accounted for using the equity method. The Hospital ownership percentage of joint venture income is recognized in other operating revenue for health care-related ventures and in other income for non-health care ventures.

At December 31, 2013 and 2012, investments in joint ventures held by the Hospital amounted to \$2,754,579 and \$3,013,036, respectively. Total net income amounted to \$6,196,629 and

## **BOULDER COMMUNITY HEALTH**

### **Notes to Financial Statements**

**December 31, 2013 and 2012**

\$6,547,176 as of December 31, 2013 and 2012, respectively. During 2013 and 2012, the Hospital received \$7,180,221 and \$6,524,409 of capital distributions, respectively.

In addition, the Hospital guaranteed debt held by two unconsolidated subsidiaries, including 35% of Foothills Surgery Center and a portion of Boulder MRI, LLC, and any unpaid interest thereon. At December 31, 2013, the total outstanding balance on the guaranteed loans was \$2,706,230.

*(j) Unamortized Bond Issuance Costs*

Bond issuance costs are amortized over the estimated lives of the related bonds using the effective interest method. When the related debt is refunded prior to its original maturity, the remaining costs are expensed as part of the refunding.

*(k) Temporarily and Permanently Restricted Net Assets*

Temporarily restricted net assets are those assets whose use by the Hospital or distribution by the Foundation (Note 10) has been limited by donors to a specific purpose. Permanently restricted net assets include assets held by the Foundation that have been restricted by donors to be maintained in perpetuity.

*(l) Unrestricted Revenue and Gains in Excess of Expenses*

The statements of operations include unrestricted revenue and gains in excess of expenses, which includes transactions deemed by management to be ongoing, major, or central to the provision of health care services. Consistent with industry practice, changes in unrestricted net assets that are excluded from unrestricted revenue and gains in excess of expenses include net assets released from restriction used to purchase equipment, recognition of the minimum pension liability related to the Hospital's defined benefit pension plan, and amortization of previously recognized loss on ineffective interest rate swap.

*(m) Net Patient Service Revenue*

Net patient service revenue is recognized in the period services are performed and is reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered. Amounts reimbursed for services covered under Medicare, Medicaid, and other third-party payors are generally less than established billing rates. Differences between established billing rates and amounts reimbursed are recognized as contractual adjustments.

Amounts receivable under reimbursement agreements with Medicare and Medicaid programs are subject to audit and retroactive adjustment. Provisions for estimated retroactive adjustments under such programs are provided in the period the related services are rendered and adjusted in future periods as final settlements are determined. Net patient revenue for the years ended December 31, 2013 and 2012, increased approximately \$222,000 and \$81,000, respectively, due to changes in previously estimated allowances as a result of final settlements and prior-year retroactive adjustments.

## **BOULDER COMMUNITY HEALTH**

### **Notes to Financial Statements**

**December 31, 2013 and 2012**

**(n) *Estimated Medical Malpractice Claims***

The Hospital maintains a claims-made insurance policy for claims arising from providing professional and patient care and is self-insured for claim deductibles. The Hospital has accrued the estimated cost of medical claims not reported to the insurance carrier at December 31, 2013 and 2012. The accrual is based on the estimated aggregate as determined periodically by actuarial consultants. Additionally, the Hospital provides an accrual for the estimated cost associated with claims made in excess of the insurance limits. The Hospital has accrued approximately \$2,069,000 and \$3,104,000 as of December 31, 2013 and 2012, respectively, for these estimated medical claims.

**(o) *Self-insurance***

The Hospital is self-insured for costs related to employee health and accident benefit programs. The Hospital has employed an independent actuary to estimate the cost of the settlement of known and incurred but not reported claims as of year-end. The accrued health insurance liabilities were approximately \$1,100,000 and \$1,200,000 as of December 31, 2013 and 2012, respectively. The Hospital maintains a stop-loss policy for individual claims in excess of \$350,000.

**(p) *Workers' Compensation Claims***

The Hospital is self-insured for workers' compensation claims. There are known claims and incidents that may result in the assertion of additional claims, as well as claims for unknown incidents that may be asserted against the Hospital. The Hospital has employed an independent actuary to estimate the ultimate cost of the settlement of such claims. Accrued workers' compensation losses were approximately \$1,474,000 and \$2,440,000 as of December 31, 2013 and 2012, respectively, as determined periodically by actuarial consultants. The Hospital maintains a stop-loss policy for individual claims in excess of \$500,000.

**(q) *Interest Expense***

Interest cost incurred during the construction of an asset financed by tax-exempt borrowings is capitalized, net of any interest income earned on the related bond funds held by the trustee. Interest cost incurred during the construction of an asset not financed by tax-exempt debt is capitalized based on weighted average construction expenditures and the Hospital's effective interest rate. The Hospital capitalized approximately \$2,363,000 and \$1,623,000 of interest cost in 2013 and 2012, respectively. Cash paid for interest was approximately \$5,009,000 and \$4,030,000 in 2013 and 2012, respectively.

**(r) *Contributions and Bequests***

Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received. Conditional promises to give are reported at fair value when the condition is met. The gifts are reported as either temporarily restricted or permanently restricted if they are received with donor stipulations that limit the use of the gift. When a donor restriction expires, that is, when a stipulated time restriction ends and/or purpose restriction has been met, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of changes in net assets as net assets.

## **BOULDER COMMUNITY HEALTH**

### **Notes to Financial Statements**

December 31, 2013 and 2012

released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions.

*(s) Income Taxes*

The Hospital is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (the Code) as an organization described in Section 501(c)(3) of the Code. However, income generated from activities unrelated to the Hospital's exempt purpose is subject to tax under Section 511 of the Code.

The Foundation is also exempt from federal income taxes under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code. However, income generated from activities unrelated to the Foundation's exempt purpose is also subject to tax under Section 511 of the Code.

*(t) Long-Lived Assets*

In accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) Topic 360, *Property, Plant and Equipment*, long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recovered. No impairments were recognized in either 2013 or 2012.

*(u) Electronic Health Records Incentive Program*

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

The Hospital recognizes revenue at the end of the federal reporting period when management is reasonably assured it will meet all of the meaningful use objectives and all other contingencies have been met.

In 2013 and 2012, the Hospital completed the first and second year requirements under both the Medicare and Medicaid programs and has recorded revenue of approximately \$1,788,000 and \$2,446,000, respectively, which is included in other revenue within operating revenues in the statement of operations.



## BOULDER COMMUNITY HEALTH

### Notes to Financial Statements

December 31, 2013 and 2012

(v) *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.

(3) **Charity Care**

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, these charges are not reported as revenue. However, the Hospital maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges forgone for services and supplies furnished under its charity care policy, the estimated cost of those services and supplies, and equivalent service statistics. The cost of charity care is estimated by applying the ratio of cost to gross charges to the gross uncompensated charges. The following information measures the level of charity care provided during the years ended December 31, 2013 and 2012.

	<u>2013</u>	<u>2012</u>
Charges forgone, based on established rates	\$ 29,651,000	\$ 36,889,000
Estimated costs and expenses incurred to provide charity care	7,746,000	10,842,000
Equivalent percentage of charity care patients to all patients served	2.8%	3.8%

(4) **Net Patient Service Revenue**

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

(a) *Medicare*

Inpatient acute-care services rendered under the Medicare program are paid at prospectively determined rates per discharge. These rates vary according to a Medicare Severity Diagnostic Related Group (MS-DRG) patient classification system that is based on clinical, diagnostic, and other factors. Inpatient rehabilitation services are paid at prospectively determined rates per discharge. Rates vary according to a Case Mix Group (CMG) patient classification system that is based on clinical, diagnostic, and other factors. Inpatient psychiatric services are reimbursed at prospectively determined rates based on length of stay, diagnosis, age, and co-morbidity. Outpatient services rendered under the Medicare program are paid based on the Ambulatory Payment Classification (APC) system. The Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's classification of patients under the Medicare program and medical necessity of procedures performed are subject to an independent audit by a peer review organization under contract with the Hospital. The Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through December 31, 2005. The 2006 year has been reopened by Medicare for outlier reimbursement on inpatient rehabilitation claims. The Medicare cost reports for 2010, 2011, and 2012 remain unaudited.

## BOULDER COMMUNITY HEALTH

### Notes to Financial Statements

December 31, 2013 and 2012

while the 2008 and 2007 audits were completed by Medicare during 2013 and 2012, respectively

(b) **Medicaid**

Inpatient services rendered under the Medicaid program are paid under a prospectively determined system similar to Medicare. Outpatient services are primarily paid on an interim basis using a tentative payment rate, which approximates the costs incurred less 28%. Final settlement is determined after submission of annual cost reports by the Hospital and audits thereof by the Medicaid fiscal intermediary. The Hospital's classification of patients under the Medicaid program and medical necessity of procedures performed are subject to an independent audit by a peer review organization under contract with the Hospital. The Hospital's cost reports have been audited by the Medicaid fiscal intermediary through December 31, 2009.

(c) **Other Payors**

The Hospital has also entered into payment agreements with commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Hospital under these agreements is generally based on prospectively determined daily or case rates for inpatient services and negotiated percentage of charges for outpatient services.

Net patient services revenue as reflected in the accompanying statements of operations consists of the following:

	<u>2013</u>	<u>2012</u>
Medicare	\$ 60,269,700	\$ 57,448,957
Medicaid	18,735,288	14,546,746
Other third-party payers	197,503,376	205,169,609
Self-pay	14,050,029	14,085,447
	<u>\$ 290,558,393</u>	<u>\$ 291,250,759</u>

The Colorado Healthcare Affordability Act, designated as House Bill 1293 (HB1293), was passed during 2009 implementing a fee on hospitals to generate matching funds to the state of Colorado from federal sources. Colorado hospitals with high Medicaid volumes benefit from HB1293; those adversely impacted were made whole by the Colorado Hospital Association through a redistribution pool. Implementation of the act occurred during April 2010 and had the following effect on the Hospital's financial statements:

**BOULDER COMMUNITY HEALTH**

## Notes to Financial Statements

December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Deductions from patient charges		
Colorado Indigent Care Program revenue	\$ 4,362,456	\$ 3,635,828
Provider Fee recovery revenue	<u>13,707,483</u>	<u>9,580,925</u>
Total increase to net patient service revenue	18,069,939	13,216,753
Total increase to other operating revenue		
from redistribution pool	970,047	3,597,582
Provider Fee expense in expenses	<u>(17,976,220)</u>	<u>(15,750,703)</u>
Impact on operating income	<u>\$ 1,063,766</u>	<u>\$ 1,063,632</u>

**(5) Mapleton Campus Sale**

On December 23, 2013, the Hospital sold its Mapleton campus for \$12,937,500, of which \$8,625,000 is carried as a current note receivable. The gain on sale of \$6,672,024 has been deferred pending the economic risk realization of the note receivable. In March 2014, a \$4,000,000 payment was received. The final payment, including interest, was received in April 2014 in the amount of \$4,698,591, at which time the gain on sale was recognized.

# BOULDER COMMUNITY HEALTH

## Notes to Financial Statements

December 31, 2013 and 2012

### (6) Assets Limited as to Use

The Hospital provides for future expansion and equipment acquisitions by funding depreciation. Funded depreciation and assets limited as to use under bond trust indentures and self-insurance funds at December 31, 2013 and 2012, are as follows:

	2013		2012	
	Cost	Fair value	Cost	Fair value
Funded depreciation				
Cash and cash equivalents	\$ 7,668,157	\$ 7,668,157	\$ 2,041,700	\$ 2,041,700
Bond funds	62,917,541	60,770,667	101,461,918	102,205,604
Municipal bonds	6,014,755	6,043,821	1,180,751	1,608,462
U S government obligations	404,258	396,584	6,373,702	6,411,504
Corporate bonds and notes	19,550,611	20,394,925	33,806,638	37,397,167
Asset-backed securities	9,222,216	11,369,815	10,157,500	11,424,605
Common stock	6,325,586	8,096,396	5,963,902	7,040,454
Equity funds	48,522,104	62,874,280	40,233,901	43,355,539
International equity funds	73,712,735	77,659,771	35,025,013	31,471,323
Long/short equity fund	-	-	15,353,572	16,862,703
Long/short fixed income funds	31,837,166	35,321,122	24,968,095	27,031,225
Real assets	15,201,041	14,541,321	-	-
Fund of hedge funds	743,799	885,051	1,860,772	2,074,003
Accrued interest	330,832	330,832	538,312	538,312
	<u>282,450,801</u>	<u>306,352,742</u>	<u>278,965,776</u>	<u>289,462,601</u>
Funds required by bond indentures				
Cash and cash equivalents	3,768,280	3,768,267	8,375,894	8,376,418
Corporate bonds and notes	1,313,219	1,310,868	33,726,971	33,619,435
Accrued interest	428	428	80,137	80,137
	<u>5,081,927</u>	<u>5,079,563</u>	<u>42,183,002</u>	<u>42,075,990</u>
Workers' compensation self-insurance funds				
Cash and cash equivalents	30,000	30,000	30,000	30,000
U S government obligations	1,202,862	1,344,564	1,203,745	1,401,347
Accrued interest	3,500	3,500	3,500	3,500
	<u>1,236,362</u>	<u>1,378,064</u>	<u>1,237,245</u>	<u>1,434,847</u>
Total assets limited as to use	288,769,090	312,810,369	322,386,023	332,973,438
Less amounts required for current liabilities	<u>(12,041,157)</u>	<u>(12,041,157)</u>	<u>(9,575,791)</u>	<u>(9,575,791)</u>
Assets limited as to use, net of current portion	<u>\$ 276,727,933</u>	<u>\$ 300,769,212</u>	<u>\$ 312,810,232</u>	<u>\$ 323,397,647</u>

# BOULDER COMMUNITY HEALTH

## Notes to Financial Statements

December 31, 2013 and 2012

### *Alternative Investments*

Except as described below, the fair value of alternative investments has been estimated using the net asset value per share of the investments. Alternative investments held at December 31 consist of the following:

December 31, 2013			
	Fair Value	Redemption Frequency	Redemption Notice Period
Fixed income long/short funds (A)	\$ 35,321,122	Monthly - Quarterly	Funds vary from 7–120 days
Equity long/short funds (B)	-	-	-
Equity funds (C)	21,386,213	Monthly	3 days prior to month-end
Fund of hedge funds (D)	885,051	Quarterly	91 days Expected Liquidation - December 31, 2014
Asset-backed (E)	7,127,902	None	December 31, 2014
Real assets (F)	8,922,231	Daily	None

December 31, 2012			
	Fair Value	Redemption Frequency	Redemption Notice Period
Fixed income long/short funds (A)	\$ 27,031,225	Monthly - Quarterly	Funds vary from 7–120 days
Equity long/short funds (B)	16,862,703	Quarterly	60 days
Equity funds (C)	8,814,011	Monthly	3 days prior to month-end
Fund of hedge funds (D)	2,074,003	Quarterly	91 days Expected Liquidation - December 31, 2014
Asset-backed (E)	5,840,924	None	December 31, 2014

- (A) This category includes funds invested primarily in debt instruments, including but not limited to domestic and international bonds, loans, and derivatives
- (B) This category includes investments in hedge funds that take both long and short positions in multi-strategy equity investment funds
- (C) This category includes investments in funds primarily invested in common stocks and similar equity securities
- (D) This category includes investments of mutual funds managed to maintain a portfolio of alternative asset managers that seek to earn above-average, long-term returns
- (E) This category includes investments in asset-backed securities
- (F) This category includes investments in real estate securities and commodities

**BOULDER COMMUNITY HEALTH**

## Notes to Financial Statements

December 31, 2013 and 2012

The following schedule summarizes the investment return on assets held by the Hospital and its classification in the accompanying statements of operations and changes in net assets

	<u>2013</u>	<u>2012</u>
Unrestricted net assets		
Interest and dividend income from funded depreciation	\$ 4,648,685	\$ 7,670,402
Interest income from workers' compensation self-insurance fund	59,117	59,159
Interest income from notes receivable	105,711	131,685
Interest income from operating funds	215	2,255
Investment income	<u>4,813,728</u>	<u>7,863,501</u>
Interest income from funds required by bond indentures included in other operating revenue	72,830	163,088
Realized gain on investments	11,802,908	4,038,718
Net change in unrealized gain or loss on marketable securities	<u>13,453,863</u>	<u>18,375,749</u>
	<u>25,329,601</u>	<u>22,577,555</u>
Net return on investments	<u><u>\$ 30,143,329</u></u>	<u><u>\$ 30,441,056</u></u>

**(7) Other Assets**

Other assets consist of the following at December 31

	<u>2013</u>	<u>2012</u>
Notes receivable	\$ 1,531,572	\$ 2,241,430
Investment in joint ventures	2,759,579	3,013,036
Deferred 457(b) and 457(f) Assets	5,236,014	4,097,924
Other	<u>873,150</u>	<u>782,207</u>
Total	<u><u>\$ 10,400,315</u></u>	<u><u>\$ 10,134,597</u></u>

**BOULDER COMMUNITY HEALTH**

## Notes to Financial Statements

December 31, 2013 and 2012

**(8) Land, Buildings, and Equipment**

Land, buildings, and equipment consist of the following at December 31

	<u>2013</u>	<u>2012</u>
Land	\$ 19,801,120	\$ 23,081,774
Land improvements	7,093,737	7,807,280
Buildings and improvements	119,197,025	114,505,723
Building service equipment	66,269,268	68,760,589
Equipment	112,688,238	111,116,360
Construction in progress	78,920,843	42,447,452
	<u>403,970,231</u>	<u>367,719,178</u>
Less accumulated depreciation	<u>(196,269,190)</u>	<u>(196,383,698)</u>
Land, buildings, and equipment, net	<u>\$ 207,701,041</u>	<u>\$ 171,335,480</u>

Construction commitments as of December 31, 2013 and 2012 were approximately \$29,126,000 and \$71,546,000, respectively

**(9) Long-Term Debt**

Long-term debt consists of the following at December 31

	<u>2013</u>	<u>2012</u>
Colorado Health Facilities Authority Revenue Bonds, Series 2012, including premium of \$1,603,830 and \$1,711,977 at December 31, 2013 and 2012, respectively, fixed interest rates	\$ 31,068,830	\$ 31,711,977
Colorado Health Facilities Authority Revenue Bonds, Series 2010A, including premium of \$319,464 and \$496,294 at December 31, 2013 and 2012, respectively, fixed interest rates	59,889,464	62,361,294
Colorado Health Facilities Authority Revenue Bonds, Series 2010B, variable interest rates	24,330,000	25,115,000
Colorado Health Facilities Authority Revenue Bonds, Series 2000, variable interest rates	51,190,000	52,870,000
Colorado Health Facilities Authority Revenue Bonds, Series 1989B, including premium of \$4,638 and \$15,566 at December 31, 2013 and 2012, respectively, fixed interest rates	1,334,638	2,580,566
Colorado Health Facilities Authority Revenue Bonds, Series 1989C, including premium of \$3,086 and \$10,377 at December 31, 2013 and 2012, respectively, fixed interest rates	888,086	1,720,377
Other long-term debt	86,140	98,600
Total long-term debt	<u>168,787,158</u>	<u>176,457,814</u>
Less current portion	<u>(7,730,000)</u>	<u>(7,425,000)</u>
	<u>\$ 161,057,158</u>	<u>\$ 169,032,814</u>

## **BOULDER COMMUNITY HEALTH**

### **Notes to Financial Statements**

**December 31, 2013 and 2012**

The fair value of the outstanding Colorado Health Facilities Authority (the Authority) Revenue Bonds as of December 31, 2013 and 2012 was approximately \$169,255,000 and \$184,329,000, respectively, based on quoted market prices of the same or similar issues. The carrying amount of other long-term debt approximates fair value as of December 31, 2013 and 2012.

*(a) Series 2012*

In August 2012, the Colorado Health Facilities Authority issued \$30,000,000 aggregate principal amount of its Revenue Bonds, Series 2012 dated August 28, 2012. The proceeds of the Series 2012 Bonds were loaned to the Hospital pursuant to a Bond Indenture of Trust between the Hospital, the Authority, and the Bond Trustee. The proceeds from the Series 2012 Bonds were used to (i) finance the expansion, renovation, improvement, and equipping of the Hospital's health care facilities at its Foothills Campus, (ii) reimburse the Hospital for certain capital expenditures, and (iii) pay costs associated with the issuance of the 2012 Bonds.

The Series 2012 Bonds are payable in installments through October 1, 2042, bearing fixed interest rates from 2.0% to 5.0%.

No reserve fund securing the Series 2012 Bonds is required to be funded.

*(b) Series 2010*

In December 2010, the Colorado Health Facilities Authority issued \$66,030,000 aggregate principal amount of its Revenue Bonds, Series 2010A dated December 1, 2010, and \$26,595,000 aggregate principal amount of its Refunding Revenue Bonds, Series 2010B dated December 1, 2010. The proceeds of the Series 2010 Bonds were loaned to the Hospital pursuant to a Bond Indenture of Trust between the Hospital, the Authority, and the Bond Trustee. The proceeds from the Series 2010A Bonds were used together with other available funds to (i) refund the Series 1994B Bonds and the Variable Rate Series 2003B Bonds (ii) provide \$25,000,000 of new money to finance costs associated with a strategic initiative to optimize service delivery by expanding the Foothills Campus to deliver all acute care inpatient services, and to renovate the Broadway Campus to accommodate services transferred from the Mapleton Campus, and (iii) pay costs associated with the issuance of the 2010A Bonds. The proceeds from the Series 2010B Bonds were used to refund the Variable Rate Series 2003A Bonds and to pay costs associated with the issuance of the 2010B Bonds.

The Series 2010A Bonds are payable in installments through October 1, 2035, bearing fixed interest rates from 3.0% to 6.0%. The Series 2010A Bonds maturing on October 1, 2030 and 2035 are subject to mandatory sinking fund redemptions each October 1.

A Debt Service Reserve Fund securing the Series 2010A Bonds is required to be funded if ratings on the bonds fall to "BBB+" or lower by Standard & Poor's Ratings Services or "Baa1" or lower by Moody's Investors Service, Inc. or cash on hand is less than 100 days of operating expenses.

The Series 2010B Bonds mature on October 1, 2033, and are subject to mandatory sinking fund redemptions each October 1. The Series 2010B Bonds are owned by JPMorgan Chase Bank, N.A. (the Bank) in accordance with a Bank Bondowner Agreement, which was



## **BOULDER COMMUNITY HEALTH**

### **Notes to Financial Statements**

**December 31, 2013 and 2012**

amended August 29, 2013, to modify the tender dates and lower the variable interest calculation. The Bank may tender the Series 2010B Bonds for purchase in whole on August 28, 2020, or December 1, 2027. Interest on the Series 2010B Bonds is payable monthly based on a variable interest rate. The weighted-average-interest rate was 1.22% and 1.39% during 2013 and 2012. On or before 180 days prior to an applicable tender date, the Hospital may request the Bank to extend the Bank Bondowner Agreement to the next tender date, and if agreed to by the Bank, the agreement will be amended, which may include the variable interest rate formula. The Series 2010B Bonds may be converted to Serial Bonds at a Fixed Rate Mode. A Debt Service Reserve Fund securing the Series 2010B Bonds is required to be funded if the bonds have been converted to a Fixed Rate Mode and if ratings on the bonds fall as described for 2010A Bonds above.

**(c) *Series 2000***

In October 2000, the Authority issued \$65,000,000 aggregate principal amount of its Variable Rate Demand Hospital Revenue Bonds, Series 2000 (Series 2000 Bonds) dated October 1, 2000. The bond issuance resulted in net proceeds to the Hospital of approximately \$64.5 million. The proceeds of the Series 2000 Bonds were loaned to the Hospital pursuant to a Bond Indenture of Trust between the Hospital, the Authority, and the Bond Trustee. The net proceeds from the Series 2000 Bonds were used to pay certain costs relating to the expansion and renovation of the Hospital and purchases of capital equipment. The Series 2000 Bonds are payable in installments through October 1, 2028. The Series 2000 Bonds are backed by an irrevocable letter of credit. The letter of credit was amended on August 29, 2013, to extend the expiration date to August 29, 2018 and to lower associated fees. At December 31, 2013 and 2012, no borrowings under the letter of credit were outstanding. The principal of any draws on the letter of credit with no event of default are due in 12 equal quarterly installments commencing 367 days after the draw on the letter of credit. With an event of default, principal of any draws is due on demand.

The Hospital is required to make deposits with the Bond Trustee for both principal and interest payments. The weighted average interest rate was 0.10% and 0.17% during 2013 and 2012, respectively.

**(d) *Series 1989B and 1989C***

In July 1989, the Authority issued \$25,000,000 in variable rate bonds. The bond issuance resulted in net proceeds to the Hospital of approximately \$24.4 million. The proceeds from the bonds were loaned to the Hospital pursuant to a Bond Indenture of Trust between the Hospital, the Authority, and the Bond Trustee. The proceeds of the bonds were used to acquire the Mapleton Campus and to fund other projects and equipment purchases. In August 2000, subject to certain conditions, the Colorado Health Facilities Authority Variable Rate Demand Hospital Revenue Bonds Series 1989B and 1989C (Series 1989 Bonds) were converted from variable rate bonds bearing interest at a weekly rate to fixed interest rate bonds with interest rates ranging from 4.75% to 6.00%. Upon conversion, the Series 1989 Bonds were designated as the Colorado Health Facilities Authority Hospital Revenue Bonds Series 1989B and 1989C.

## BOULDER COMMUNITY HEALTH

### Notes to Financial Statements

December 31, 2013 and 2012

(e) *Aggregate Annual Maturities of Long-Term Debt*

Amounts due for long-term debt are as follows

For the year ending December 31, 2013

2014	\$ 7,730,000
2015	7,990,000
2016	8,360,000
2017	8,650,000
2018	9,025,000
Thereafter	<u>127,032,158</u>
Total	<u>\$ 168,787,158</u>

The Series 1989, 2000, 2010, and 2012 Bonds are secured by substantially all of the Hospital's property and equipment and a priority interest in revenue. The Hospital has also agreed to various restrictive covenants including limitations on incurring additional indebtedness and maintaining certain levels of net income available for debt service, as defined.

(f) *Interest Rate Swaps*

The Hospital uses interest rate swap agreements to manage interest costs and risks associated with changing interest rates on its variable rate debt. The differential to be paid or received is accrued as interest rates change and is recognized as unrealized gain or loss on interest rate swaps over the life of the agreements. The counterparty to the interest rate swaps is a major financial institution. The estimated fair value of the interest rate swaps, which is the gross unrealized market gain or loss, is based on quotes obtained from the counterparty. Interest rate swaps are subject to credit risk (if the counterparty fails to meet its obligations) and interest rate risk. The Hospital could be obligated to pay more under its swap agreements than it receives as a result of interest rate changes. Collateral posting is required whenever the negative fair value of the swaps exceeds threshold amounts defined in the credit support annex agreement based upon the Hospital's bond rating. The Hospital has collateral posted with the counterparty in the amount of \$0 as of December 31, 2013 and 2012.

In 2008, management designated an interest rate swap agreement as a cash flow hedging instrument for the Series 2003 Bonds, and determined the agreement qualifies for hedge accounting under the provisions of FASB ASC Topic 815. As a result, the agreement was recorded at its fair value with subsequent changes in fair value excluded from revenue and gains in excess of expenses, except for the ineffective portion. The Series 2003 Bonds were refunded on December 31, 2010, in conjunction with the issuance of the Series 2010A and 2010B Bonds. After the refunding the swap agreement no longer qualifies for hedge accounting and all changes in its fair value subsequent to December 1, 2010, are included in revenue and gains in excess of expenses. The value of the swap loss will be amortized over the life of the original term of the Series 2003 Bond.

# BOULDER COMMUNITY HEALTH

## Notes to Financial Statements

December 31, 2013 and 2012

The Hospital had entered into the following interest rate swap agreements as of December 31, 2013 and 2012

Notional 2013	Notional 2012	Rate Paid by Hospital	Rate Received by Hospital	Effective Date	Termination Date	Fair Value		Purposes
						2013	2012	
\$ 100,000,000	\$ 100,000,000	1-month BMA	78% of 1- month Libor	07/21/03	07/21/23	\$ (1,093,704)	\$ (1,190,468)	( c )
100,000,000	100,000,000	1-month BMA	67% of 1- month Libor + 0.56%	07/21/03	07/21/23	1,063,401	2,438,606	( c )
14,900,000	15,975,000 (a)	Fixed (3.55%)	67% of 1- month Libor	10/01/04	10/01/23	(1,643,376)	(2,575,167)	( c )
42,519,621	43,893,068 (b)	Fixed (3.727%)	67% of 1- month Libor	04/05/08	12/01/33	(6,481,626)	(10,897,382)	( d )
						<u>\$ (8,155,305)</u>	<u>\$ (12,224,411)</u>	

(a) Notional amounts reduce annually through 2023

(b) Notional amounts reduce annually beginning December 1, 2008 through 2033

(c) To protect against an increase in variable interest rates

(d) Prior to 12/01/2010 refunding of 2003 bonds, this was a cash flow hedge to protect against increase in variable interest rates for the 2003 bonds. after refunding of 2003 bonds purpose is general protection against an increase in variable interest rates

## BOULDER COMMUNITY HEALTH

### Notes to Financial Statements

December 31, 2013 and 2012

The fair value of the swaps was \$(8,155,305) and \$(12,224,411) as of December 31, 2013 and 2012, respectively. The fair value of the swaps is reported as a derivative asset or liability in the accompanying balance sheets. Unrealized gains and losses in the fair value of the swaps, net of related interest income, are recognized in other income (ineffective portion) and other changes in unrestricted net assets (effective portion) as follows:

	<u>2013</u>	<u>2012</u>
Unrealized gain on interest rate swaps reported in other income	\$ 4,308,741	\$ 4,369,176
Amortization of previously recognized ineffective amount	(239,635)	(239,635)
Swap interest less expense	<u>(1,447,741)</u>	<u>(1,572,271)</u>
Unrealized gain on interest rate swaps, net of interest income	<u>\$ 2,621,365</u>	<u>\$ 2,557,270</u>

#### (10) Net Assets Held by the Foundation

Temporarily restricted net assets held by the Foundation at December 31 are for the following purposes:

	<u>2013</u>	<u>2012</u>
Unrestricted	\$ 22,729,155	\$ 18,206,704
New medical office Foothill facilities	5,002,149	6,922,808
Red Lipstick fund	398,174	226,100
Cancer center	426,084	145,973
Charitable remainder trusts available for unrestricted use	361,490	278,242
Diabetes center	146,467	146,467
Other hospital programs	26,175	10,251
Mante international program	<u>15,438</u>	<u>11,188</u>
	<u>\$ 29,105,132</u>	<u>\$ 25,947,733</u>

## BOULDER COMMUNITY HEALTH

### Notes to Financial Statements

December 31, 2013 and 2012

Permanently restricted net assets held by the Foundation at December 31, of which the income is available for the following purposes, are as follows

	2013	2012
Perpetual trusts	\$ 2,703,098	\$ 2,543,707
Endowments	1,863,272	1,861,244
Diabetes services	360,210	360,210
Cancer services	89,776	89,776
Scholarships	83,000	83,000
Neonatal program at Foothills facility	48,094	48,094
Heart and surgery center	25,000	25,000
	<u>\$ 5,172,450</u>	<u>\$ 5,011,031</u>

(a) **Endowment**

The Foundation's endowment consists of approximately 31 individual endowment funds established for a variety of purposes. These endowments include both donor-restricted endowment funds and funds established by the Board of Trustees to function as donor-restricted endowments. As required by GAAP, net assets associated with endowment funds, including funds established by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of Relevant Law** The Board of Trustees of Boulder Community Hospital Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

**BOULDER COMMUNITY HEALTH**

## Notes to Financial Statements

December 31, 2013 and 2012

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

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets.			
January 1, 2012	\$ 1,047,490	\$ 2,438,861	\$ 3,486,351
Net investment return	710,775	-	710,775
Appropriation of endowment assets for expenditures	(129,603)	-	(129,603)
Contributions	-	28,463	28,463
Endowment net assets.			
December 31, 2012	1,628,662	2,467,324	4,095,986
Net investment return	945,057	-	945,057
Appropriation of endowment assets for expenditures	(140,703)	-	(140,703)
Contributions	-	2,028	2,028
Endowment net assets.			
December 31, 2013	<u>\$ 2,433,016</u>	<u>\$ 2,469,352</u>	<u>\$ 4,902,368</u>

Reconciliation of endowment net assets to permanently restricted net assets

	<u>December 31</u>	
	<u>2013</u>	<u>2012</u>
Endowments	\$ 2,469,352	\$ 2,467,324
Beneficial interest in perpetual trusts	<u>2,703,098</u>	<u>2,543,707</u>
Total permanently restricted net assets	<u>\$ 5,172,450</u>	<u>\$ 5,011,031</u>

Funds with deficiencies From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration There were no such deficiencies as of December 31, 2013 and 2012

Return objectives and risk parameters The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) Under this policy, as approved by the Board of Trustees, the endowment assets are invested in short-term and long-term funds Short-term funds are invested primarily in liquid, income producing instruments

## **BOULDER COMMUNITY HEALTH**

### **Notes to Financial Statements**

**December 31, 2013 and 2012**

with minimum fluctuation potential. Instruments in this category will emphasize preservation of capital. Long-term funds are those where principal can be left undistributed for at least three years. These funds are invested to emphasize growth of capital and to outpace inflation. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 5% plus the inflation rate, on an annualized basis. Actual returns in any given year may vary from this amount.

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

**Spending policy and how the investment objectives relate to spending policy.** The Foundation has a policy of appropriating for distribution each year a maximum of 5% of its endowment fund's average portfolio value over the prior three years through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowment to grow at an average rate of 5% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

#### **(11) Boulder Community Health Retirement Plans**

##### ***Defined Benefit Plan***

The Hospital has a noncontributory, defined benefit retirement plan (the Plan) covering the majority of employees. The Hospital makes contributions to the Plan based on the funding recommendations of the Plan's actuary and regulatory requirements. Based upon the actuary's calculations, management believes they are in compliance with the funding requirements under the Pension Protection Act of 2006. The Plan uses the projected unit credit cost method for financial reporting and the unit credit cost method for funding purposes. Participation in the Plan was closed to employees hired on or after January 1, 2010.

Effective July 1, 2012, the Plan was amended to include a lump-sum payment option. Once a participant reaches at least age 55, has 10 years of vested service and terminates employment, he or she will have the option of taking a lump-sum benefit or a monthly payment.

**BOULDER COMMUNITY HEALTH**

## Notes to Financial Statements

December 31, 2013 and 2012

Key financial information and assumptions related to the Plan are summarized below

	<b>December 31</b>	
	<b>2013</b>	<b>2012</b>
Change in projected benefit obligation (PBO)		
PBO, beginning of year	\$ 130,142,359	\$ 100,333,049
Service cost	6,242,072	4,775,086
Interest cost	5,335,432	5,191,835
Actuarial loss (gain)	(19,693,311)	21,801,472
Benefits paid	(5,113,710)	(3,652,951)
Plan amendment	-	1,693,868
PBO, end of year	<u>\$ 116,912,842</u>	<u>\$ 130,142,359</u>

The accumulated benefit obligation is \$106,101,501 and \$116,649,940 as of December 31, 2013 and 2012, respectively

	<b>2013</b>	<b>2012</b>
Change in plan assets		
Fair value of plan assets, beginning of year	\$ 78,389,064	\$ 68,739,545
Actual return on plan assets	13,585,017	7,068,734
Employer contributions	8,100,000	6,233,736
Benefits paid	(5,113,710)	(3,652,951)
Fair value of plan assets, end of year	<u>\$ 94,960,371</u>	<u>\$ 78,389,064</u>
Funded status of the plan, end of year (PBO, less plan assets)	<u>\$ (21,952,471)</u>	<u>\$ (51,753,295)</u>

	<b>December 31</b>	
	<b>2013</b>	<b>2012</b>
Assumptions and dates used to determine benefit obligation		
Discount rate	5 31%	4 21%
Compensation increase rate	2 84%	2 99%
Measurement date	12/31/13	12/31/12
Census date	01/01/13	01/01/12
Assumptions to determine expense		
Discount rate	4 21%	5 24%
Long-term rate of return on assets	7 00%	7 00%
Compensation increase rate	2 99%	2 99%



# BOULDER COMMUNITY HEALTH

## Notes to Financial Statements

December 31, 2013 and 2012

	<b>December 31</b>	
	<b>2013</b>	<b>2012</b>
Amounts recognized in statements of operations		
Net periodic benefit cost		
Service cost	\$ 6,242,072	\$ 4,775,086
Interest cost	5,335,432	5,191,835
Expected return on plan assets	(5,492,438)	(4,934,112)
Prior service cost amortization	197,081	6,426
Net loss amortization	4,593,915	2,585,779
Net periodic benefit cost	<u>\$ 10,876,062</u>	<u>\$ 7,625,014</u>

Amounts recognized in change in net assets not yet recognized as components of periodic benefit cost consist of the following

	<b>Pension Benefits</b>	
	<b>2013</b>	<b>2012</b>
Total net loss	\$ 20,647,435	\$ 53,027,240
Prior service cost	1,512,093	1,709,174
	<u>\$ 22,159,528</u>	<u>\$ 54,736,414</u>

### *Asset Allocation by Asset Category*

The Plan's investments at December 31 are as follows (see Note 15 for a description of Fair Value Measurements)

	<b>Fair Value Measurements Using</b>			
	<b>Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
<b>December 31, 2013</b>				
Cash	\$ 298,995	\$ 298,995	\$ -	\$ -
Mutual bond funds	26,231,499	26,231,499	-	-
Asset-backed securities	4,276,741	-	4,276,741	-
Common stock	8,310,506	8,310,506	-	-
Domestic equity funds	36,175,663	27,987,148	8,188,515	-
International equity funds	19,198,018	19,198,018	-	-
Fund of hedge funds	468,949	-	-	468,949
Total	<u>\$ 94,960,371</u>	<u>\$ 82,026,166</u>	<u>\$ 12,465,256</u>	<u>\$ 468,949</u>

# BOULDER COMMUNITY HEALTH

## Notes to Financial Statements

December 31, 2013 and 2012

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Fair Value			
<b>December 31, 2012</b>				
Cash	\$ 2,657,371	\$ 2,657,371	\$ -	\$ -
Mutual bond funds	33,180,862	33,180,862	-	-
Asset-backed securities	3,504,555	-	3,504,555	-
Domestic equity funds	21,767,107	16,090,119	5,676,988	-
International equity funds	10,909,739	10,909,739	-	-
Long/short equity funds	5,539,577	-	5,539,577	-
Fund of hedge funds	829,853	-	-	829,853
Total	<u>\$ 78,389,064</u>	<u>\$ 62,838,091</u>	<u>\$ 14,721,120</u>	<u>\$ 829,853</u>

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

Balance at January 1, 2012	\$ 1,090,312
Relating to assets still held at the reporting date	24,913
Relating to assets sold during the period	(1,954)
Purchases, issuances, and settlements	<u>(283,418)</u>
Balance, December 31, 2012	829,853
Actual return on Plan assets	
Relating to assets still held at the reporting date	3,339
Relating to assets sold during the period	18,334
Purchases, issuances, and settlements	<u>(382,577)</u>
Balance, December 31, 2013	<u>\$ 468,949</u>

The Hospital employs a total return investment approach, whereby a mix of equity and fixed income investments are used to maximize the long-term return of Plan assets with a prudent level of risk. The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns of individual assets. The expected return is generally based on historical returns.

## BOULDER COMMUNITY HEALTH

### Notes to Financial Statements

December 31, 2013 and 2012

Expected benefit payments for the year ending December 31

2014	\$ 7,540,000
2015	5,800,000
2016	6,740,000
2017	7,870,000
2018	8,330,000
2019–2023	48,690,000

The Hospital expects to contribute approximately \$6,000,000 to the Plan in 2014

The estimated net actuarial loss and prior service cost that will be amortized in 2014 is \$1,259,495 and the amount amortized in 2013 was \$4,790,996

#### *457 Plans*

The Hospital also has two nonqualified defined contribution plans. Assets of \$5,236,014 and \$4,097,924 were held as part of other assets at December 31, 2013 and 2012, respectively. Liabilities of \$5,236,014 and \$4,097,924 are included at December 31, 2013 and 2012, respectively, as part of other long-term liabilities.

#### **(12) Functional Expenses**

The Hospital provides general health care services to residents within its geographic location including inpatient, outpatient, emergency, and home health services. The Hospital's Cardiac Services, Surgical Services, Child/Maternal, Cancer, Behavioral Health, and Rehabilitation programs provide the community with a broad continuum of care. Expenses related to providing these services are as follows:

	<b>2013</b>	<b>2012</b>
Health care services	\$ 173,529,145	\$ 171,703,956
Physician services	40,449,759	36,557,264
General and administrative	77,659,530	72,811,730
Total	<u>\$ 291,638,434</u>	<u>\$ 281,072,950</u>

## BOULDER COMMUNITY HEALTH

### Notes to Financial Statements

December 31, 2013 and 2012

#### (13) Concentrations of Credit Risk

The Hospital grants credit without collateral to its patients, most of whom are local residents and are generally insured under third-party payor agreements. The mix of receivables from patients and third-party payors at December 31, 2013 and 2012, based on net receivables, is as follows:

	2013	2012
Medicare	19%	14%
Medicaid	8%	5%
HMO/PPO and commercial insurance	73%	81%
Patients (self-pay)	0%	0%
Total	100%	100%

#### (14) Commitments and Contingencies

The Hospital is a defendant or co-defendant in certain civil action suits involving personal injury damage claims by former patients, whereby plaintiffs are seeking damages. Management, based upon advice from legal counsel, estimates that these matters will be resolved without material adverse effect on the Hospital's future financial position or results of its operations.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursements for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Hospital is in substantial compliance with fraud and abuse compliance requirements, as well as other applicable government laws and regulations. Compliance with such laws and regulations is subject to government review and interpretation as well as regulatory actions.

#### (15) Disclosures About Fair Value of Assets and Liabilities

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

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

# BOULDER COMMUNITY HEALTH

## Notes to Financial Statements

December 31, 2013 and 2012

### *Recurring Measurements*

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

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Fair Value			
<b>December 31, 2013</b>				
Bond funds	\$ 60,770,667	\$ 60,770,667	\$ -	\$ -
Municipal bonds	6,043,821	-	6,043,821	-
U S government obligations	1,741,148	1,741,148	-	-
Corporate bonds and notes	21,705,793	21,705,793	-	-
Asset-backed securities	11,369,815	-	11,369,815	-
Common stock	8,096,396	8,096,396	-	-
Equity funds	62,874,280	49,071,436	13,802,844	-
International equity funds	77,659,771	70,076,402	7,583,369	-
Long/short fixed income funds	35,321,122	-	30,172,722	5,148,400
Real assets	14,541,321	5,627,090	8,914,231	-
Fund of hedge funds	885,051	-	-	885,051
	301,009,185	217,088,932	77,886,802	6,033,451
Cash and cash equivalents, at fair value	11,466,424	-	-	-
Accrued interest, at cost	334,760	-	-	-
	<u>\$ 312,810,369</u>	<u>\$ 217,088,932</u>	<u>\$ 77,886,802</u>	<u>\$ 6,033,451</u>
Interest rate swap agreements	\$ (8,155,305)	\$ -	\$ (8,155,305)	\$ -

# BOULDER COMMUNITY HEALTH

## Notes to Financial Statements

December 31, 2013 and 2012

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Fair Value			
<b>December 31, 2012</b>				
Bond funds	\$ 102,205,604	\$ 102,205,604	\$ -	\$ -
Municipal bonds	1,608,462	-	1,608,462	-
U S government obligations	7,812,851	7,812,851	-	-
Corporate bonds and notes	71,016,602	71,016,602	-	-
Asset-backed securities	11,424,605	-	11,424,605	-
Common stock	7,040,454	7,040,454	-	-
Equity funds	43,355,539	34,541,528	8,814,011	-
International equity funds	31,471,323	31,471,323	-	-
Long/short equity fund	16,862,703	-	16,862,703	-
Long/short fixed income funds	27,031,225	-	24,321,352	2,709,873
Fund of hedge funds	2,074,003	-	-	2,074,003
	321,903,371	254,088,362	63,031,133	4,783,876
Cash and cash equivalents, at fair value	10,448,118	-	-	-
Accrued interest, at cost	621,949	-	-	-
	<u>\$ 332,973,438</u>	<u>\$ 254,088,362</u>	<u>\$ 63,031,133</u>	<u>\$ 4,783,876</u>
Interest rate swap agreements	<u>\$ (12,224,411)</u>	<u>\$ -</u>	<u>\$ (12,224,411)</u>	<u>\$ -</u>

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

*(a) Assets Limited as to Use (Investments)*

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

The value of certain investments, classified as alternative investments, is determined using net asset value (or its equivalent) as a practical expedient, which includes the long/short

## BOULDER COMMUNITY HEALTH

### Notes to Financial Statements

December 31, 2013 and 2012

equity fund and long/short fixed income funds. Investments for which the funds have ongoing redemption and subscription activity are categorized as Level 2. Investments for which there is not observable data such as ongoing redemption and subscription activity are categorized as Level 3.

Fair value determinations for Level 3 measurements of securities are the responsibility of management. Management reviews these investment challenges to ensure the estimated fair value complies with accounting standards generally accepted in the United States.

*(b) Interest Rate Swap Agreement*

The fair value is estimated using inputs that are observable or that can be corroborated by observable market data and, therefore, are classified within Level 2 of the valuation hierarchy.

*Level 3 Reconciliation*

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

	<b>Fund of Hedge Funds</b>	<b>Long/Short Fixed Income Funds</b>
Balance, January 1, 2012	\$ 2,845,573	\$ 1,369,511
Purchases	-	1,000,000
Sales	(912,980)	-
Total realized and unrealized gains and losses included in change in net assets	<u>141,410</u>	<u>340,362</u>
Balance, December 31, 2012	2,074,003	2,709,873
Purchases	-	4,607,846
Sales	(1,276,058)	(2,707,846)
Total realized and unrealized gains and losses included in change in net assets	<u>87,106</u>	<u>538,527</u>
Balance, December 31, 2013	<u><u>\$ 885,051</u></u>	<u><u>\$ 5,148,400</u></u>

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

*(c) Cash and Cash Equivalents*

The carrying amount approximates fair value.

## BOULDER COMMUNITY HEALTH

### Notes to Financial Statements

December 31, 2013 and 2012

(d) *Interest in Net Assets of Boulder Community Hospital Foundation*

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement

(e) *Notes Payable and Long-Term Debt*

Fair value is estimated based on the borrowing rates currently available to the Hospital for bank loans with similar terms and maturities. For variable rate debt, management believes current borrowing rates approximate the variable rates of the bonds.

*Unobservable (Level 3) Inputs*

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

		<b>Fair Value at December 31, 2013</b>	<b>Valuation Technique</b>	<b>Unobservable Inputs</b>	<b>Range (Weighted Average)</b>
Fund of Hedge Funds	\$	885,051	Net Asset Value	Lack of Marketability	Not available
Long/Short Fixed Income Funds	\$	5,148,400	Net Asset Value	Lack of Marketability	Not available

(16) **Subsequent Event and Flood Loss**

Subsequent events have been evaluated through April 29, 2014, which is the date the financial statements were available to be issued.

As of April 3, 2014, the note receivable related to the sale of the Mapleton Campus in the amount of \$8,625,000 was paid in full and the deferred gain of \$6,672,024 was recognized.

In September 2013, the Hospital experienced flood loss property damage and lost revenues associated with the flooding in Boulder County that was designated as a Federally Declared Disaster Area. Approximately \$930,000 of repair expense is recognized in other net income (expense) in 2013. The Hospital has a \$1.5 million deductible and has filed insurance claims with its carrier. At this time, the Hospital is unable to quantify reimbursements, if any, that may be received from its insurance carrier for property damage and lost revenues. The Hospital does expect additional reimbursement from FEMA or other government programs for losses not covered by insurance.