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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

▶ Information about Form 990 and its instructions is at www.IRS.gov/form990

OMB No 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 07-01-2013 , 2013, and ending 06-30-2014

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
UNITED HOSPITAL SYSTEM INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
6308 8TH AVENUE

City or town, state or province, country, and ZIP or foreign postal code
KENOSHA, WI 53143

D Employer identification number
39-0816845

E Telephone number
(262) 577-8113

G Gross receipts $ 383,871,231

F Name and address of principal officer
THOMAS J KELLEY
6308 8TH AVENUE
KENOSHA, WI 53143

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 UNITEDHOSPITALSYSTEM ORG

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

L Year of formation 1910

M State of legal domicile WI

Part I Summary

1 Briefly describe the organization's mission or most significant activities
UNITED HOSPITAL SYSTEM, INC IS COMMITTED TO LIVING OUT THE HEALING MINISTRIES OF THE JUDEO-CHRISTIAN FAITHS BY PROVIDING EXCEPTIONAL AND COMPASSIONATE HEALTHCARE SERVICES THAT PROMOTES THE DIGNITY AND WELL-BEING OF THE PEOPLE WE SERVE THIS IS OUR MISSION AND OUR REASON FOR BEING WE STRIVE TO RECRUIT AND RETAIN THE BEST PHYSICIANS AND STAFF AND PURCHASE THE BEST DIAGNOSTIC AND CURATIVE MEDICAL EQUIPMENT THAT OUR FINANCIAL RESOURCES WILL PERMIT WE ALSO STRIVE TO BE ACCESSIBLE TO ALL MEMBERS OF OUR COMMUNITY WITH EMERGENT AND URGENT HEALTHCARE NEEDS, IRRESPECTIVE OF THEIR ABILITY TO PAY THIS IS OUR COMMITTMENT TO THE QUALITY, ACCESSIBILITY AND AFFORDABILITY FUNDAMENTALS AFFECTING THE DELIVERY OF HEALTHCARE

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	14
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	9
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	2,459
6	Total number of volunteers (estimate if necessary)	**6**	129
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	201,312
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-52,505

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	162,879	112,876
	9 Program service revenue (Part VIII, line 2g)	309,098,496	320,750,349
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,918,538	11,420,933
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	612,515	656,489
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	312,792,428	332,940,647
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	9,075	11,790
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	151,482,016	147,925,137
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	133,678,103	141,642,059
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	285,169,194	289,578,986
	19 Revenue less expenses Subtract line 18 from line 12	27,623,234	43,361,661

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	343,768,720	366,965,337
	21 Total liabilities (Part X, line 26)	84,369,260	80,165,556
	22 Net assets or fund balances Subtract line 21 from line 20	259,399,460	286,799,781

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

****** | 2015-04-02
Signature of officer | Date

THOMAS J KELLEY VP & CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
JAY ADKISSON CPA		2015-03-30		P01360892

Firm's name ▶ WIPFLI LLP | Firm's EIN ▶ 39-0758449

Firm's address ▶ 10000 INNOVATION DRIVE SUITE 250
MILWAUKEE, WI 532264837 | Phone no (414) 431-9300

May the IRS discuss this return with the preparer shown above? (see instructions) ☑ Yes ☐ No

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

UNITED HOSPITAL SYSTEM, INC IS A COMPREHENSIVE REGIONAL HEALTHCARE SYSTEM THAT HAS SERVED SOUTHEASTERN WISCONSIN AND NORTHERN ILLINOIS COMMUNITIES FOR MORE THAN 100 YEARS UNITED HOSPITAL SYSTEM PROVIDES SERVICES PRIMARILY THROUGH THE KENOSHA MEDICAL CENTER CAMPUS AND THE ST CATHERINE'S MEDICAL CENTER CAMPUS AND SEVERAL OTHER CLINIC LOCATIONS WE, AT UNITED, ARE COMMITTED TO LIVING OUT THE HEALING MINISTRIES OF THE JUDEO-CHRISTIAN FAITHS BY PROVIDING EXCEPTIONAL AND COMPASSIONATE HEALTHCARE SERVICES THAT PROMOTES THE DIGNITY AND WELL BEING OF THE PEOPLE WE SERVE THIS IS OUR MISSION AND OUR REASON FOR BEING

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

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

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 242,862,457 including grants of $ 11,790) (Revenue $ 321,208,442)

ACUTE CARE HOSPITAL THAT PROVIDES INPATIENT, OUTPATIENT, AND EMERGENCY CARE SERVICES TO ITS COMMUNITY

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

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

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ 242,862,457

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		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	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	Yes	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**		No
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	75		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c			
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	2,459		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b		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)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a		Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a**	14		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	9		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**			No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**			No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**			No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

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

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

Section C. Disclosure

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

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

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

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

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

▶ JENS EMERSON 6308 8TH AVENUE
KENOSHA, WI 53143 (262) 577-8113

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) DR F GREGORY CAMPBELL CHAIRMAN	2 00	X		X				0	0	0
(2) RICHARD O SCHMIDT JR PRESIDENT/CEO/DIRECTOR	45 00	X		X				1,118,944	0	167,639
(3) ROBERT A CORNOG VICE-CHAIRMAN/SECRETARY/TR	2 00	X		X				0	0	0
(4) DAVID R RILEY DIRECTOR	2 00	X						0	0	0
(5) HAROLD W MAYER DIRECTOR	2 00	X						0	0	0
(6) EDWARD C EMMA DIRECTOR	2 00	X						0	0	0
(7) A JAMES CICCHINI DIRECTOR	2 00	X						0	0	0
(8) JAMES CONCANNON MD DIRECTOR	2 00	X						0	0	0
(9) DON E KAELBER DIRECTOR	2 00	X						0	0	0
(10) RAYMOND KNIGHT MD DIRECTOR/PHYSICIAN	2 00	X						375,984	0	62,574
(11) ROBERT LEE JR DIRECTOR	2 00	X						0	0	0
(12) THOMAS P MAHONEY DIRECTOR	2 00	X						0	0	0
(13) LAWRENCE REIF MD DIRECTOR	2 00	X						0	0	0
(14) W HARLEY SOBIN MD DIRECTOR/PHYSICIAN	2 00	X						858,861	0	62,574
(15) LINDA WOHLGEMUTH ASST SECRETARY/VP-COO-SCMC	45 00			X				467,371	0	72,009
(16) THOMAS KELLEY ASST TREASURER/VP-CFO	45 00			X				320,662	0	87,573
(17) SUSAN VENTURA SVP/COO-KMCC	45 00				X			468,613	0	72,009

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) ASHWANI SETHI MD PHYSICIAN	40 00					X		864,665	0	64,570
(19) MARIO GARRETTO MD PHYSICIAN	40 00					X		809,481	0	64,390
(20) KATHERINE ABBO MD PHYSICIAN	40 00					X		598,492	0	45,599
(21) NEIL SHEPLER MD PHYSICIAN	40 00					X		658,303	0	62,574
(22) KEVIN FULLIN MD PHYSICIAN	40 00					X		595,070	0	61,298
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								7,136,446	0	822,809

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 ▶ 132

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
ALLSCRIPTS HEALTHCARE LLC PO BOX 8538-0133 PHILADELPHIA PA 19171	IS SERVICES	2,604,433
RILEY CONSTRUCTION 5301 99TH AVENUE KENOSHA WI 53144	BUILDING	2,326,219
INFINITY HEALTHCARE PHYSICIAN SC 111 E WISCONSIN AVENUE SUITE 2100 MILWAUKEE WI 53202	MEDICAL	1,833,362
MARTIN PETERSEN CO INC 9800 55TH STREET KENOSHA WI 53144	BUILDING	1,163,621
LEE ELECTRICAL INC 2915 60TH STREET KENOSHA WI 53140	BUILDING	720,646

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 ▶ 32

Part VIII Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c	27,756			
	d	Related organizations . . .	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	85,120			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		112,876			
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICE REV	623000	313,177,658	313,177,658		
	b	OTHER OPERATING REVENUE	623990	7,572,691	7,371,379	201,312	
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		320,750,349			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		1,296,495			1,296,495
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					
			(i) Real	(ii) Personal			
	6a	Gross rents	659,405				
	b	Less rental expenses	0				
	c	Rental income or (loss)	659,405				
	d	Net rental income or (loss) . . . . . ▶		659,405	659,405		
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	60,869,558	136,500			
	b	Less cost or other basis and sales expenses	50,732,046	149,574			
	c	Gain or (loss)	10,137,512	-13,074			
	d	Net gain or (loss) . . . . . ▶		10,124,438			10,124,438
Other Revenue	8a	Gross income from fundraising events (not including $ 27,756 of contributions reported on line 1c) See Part IV, line 18 . . a	46,048				
	b	Less direct expenses . . . b	48,964				
	c	Net income or (loss) from fundraising events . . ▶		-2,916			-2,916
	9a	Gross income from gaming activities See Part IV, line 19 . . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities . . ▶					
	10a	Gross sales of inventory, less returns and allowances . a					
	b	Less cost of goods sold . . b					
	c	Net income or (loss) from sales of inventory . . ▶					
		Miscellaneous Revenue	Business Code				
	11a						
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . ▶					
	12	**Total revenue.** See Instructions . . . . . ▶		332,940,647	321,208,442	201,312	11,418,017

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				
2 Grants and other assistance to individuals in the United States See Part IV, line 22	11,790	11,790		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	7,959,255	6,334,381	1,624,874	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	109,121,318	91,602,688	17,518,630	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	7,376,019	6,192,774	1,183,245	
9 Other employee benefits	16,271,903	5,152,872	11,119,031	
10 Payroll taxes	7,196,642	6,023,675	1,172,967	
11 Fees for services (non-employees)				
a Management				
b Legal	103,315		103,315	
c Accounting	122,045		122,045	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	16,381,355	11,238,142	5,143,213	
12 Advertising and promotion	361,368	136,047	225,321	
13 Office expenses	60,093,141	57,095,228	2,997,913	
14 Information technology	5,566,486	5,566,486		
15 Royalties . .				
16 Occupancy	6,309,097	6,186,859	122,238	
17 Travel	621,885	177,883	444,002	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	14,691,040	13,221,936	1,469,104	
23 Insurance	1,022,688	389,697	632,991	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a BAD DEBTS	20,397,582	20,397,582		
b STATE HOSPITAL ASSESSME	7,977,552	7,977,552		
c REPAIRS	2,672,674	1,667,445	1,005,229	
d BLOOD	1,023,897	1,023,897		
e All other expenses	4,297,934	2,465,523	1,832,411	
25 **Total functional expenses.** Add lines 1 through 24e	289,578,986	242,862,457	46,716,529	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing			1	
	2	Savings and temporary cash investments		76,648,718	2	127,597,099
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		35,183,455	4	43,716,840
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		4,162,748	8	4,041,410
	9	Prepaid expenses and deferred charges		4,086,869	9	4,069,221
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 275,326,757			
	b	Less accumulated depreciation	10b 193,666,045	80,688,330	10c	81,660,712
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11		90,965,092	12	72,265,775
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		52,033,508	15	33,614,280
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		343,768,720	16	366,965,337
Liabilities	17	Accounts payable and accrued expenses		28,809,110	17	28,255,585
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		55,560,150	25	51,909,971
	26	**Total liabilities.** Add lines 17 through 25		84,369,260	26	80,165,556
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		257,368,904	27	284,761,957
	28	Temporarily restricted net assets		513,136	28	520,176
	29	Permanently restricted net assets		1,517,420	29	1,517,648
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		259,399,460	33	286,799,781
	34	Total liabilities and net assets/fund balances		343,768,720	34	366,965,337

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	332,940,647
2	Total expenses (must equal Part IX, column (A), line 25)	2	289,578,986
3	Revenue less expenses Subtract line 2 from line 1	3	43,361,661
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	259,399,460
5	Net unrealized gains (losses) on investments	5	-2,089,868
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-13,871,472
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	286,799,781

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
UNITED HOSPITAL SYSTEM INC

Employer identification number
39-0816845

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

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

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

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

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

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

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

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

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

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

9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Non-functionally integrated

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? **11g(i)**		
(ii) A family member of a person described in (i) above? **11g(ii)**		
(iii) A 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h Provide the following information about the supported organization(s)

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

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

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (see instructions) **12**

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** . . . . . ▶☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2012 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2013.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2012.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2013.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2012.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶☐

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

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support.** (Add lines 9, 10c, 11, and 12)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2013** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2012** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2013.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2012.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶☐

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

Facts And Circumstances Test		
Return Reference	Explanation	

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
UNITED HOSPITAL SYSTEM INC

Employer identification number
39-0816845

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

		(a) Current year	(b) Prior year	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	2,030,556	2,039,142	2,012,126	1,998,034	1,973,518
b	Contributions					
c	Net investment earnings, gains, and losses	19,058	489	38,761	23,485	46,211
d	Grants or scholarships					
e	Other expenditures for facilities and programs	11,790	9,075	11,745	9,395	21,695
f	Administrative expenses					
g	End of year balance	2,037,824	2,030,556	2,039,142	2,012,124	1,998,034

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 ▶ 74 000 %
- c Temporarily restricted endowment ▶ 26 000 %

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		6,124,397		6,124,397
b Buildings		124,814,247	86,743,154	38,071,093
c Leasehold improvements				
d Equipment		141,218,948	105,008,595	36,210,353
e Other		3,169,165	1,914,296	1,254,869
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				81,660,712

Part VII **Investments—Other Securities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) FIXED INCOME FUNDS	8,942,827	F
(B) EQUITY MUTUAL FUNDS	8,279,163	F
(C) EQUITY SECURITIES	27,270,835	F
(D) CORPORATE BONDS	10,882,292	F
(E) ETFS	7,048,211	F
(F) INTERNATIONAL EQUITIES	9,842,447	F
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	72,265,775	

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

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

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

(a) Description	(b) Book value
(1) DUE FROM AFFILIATE	31,989,083
(2) CIP	1,625,197
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	33,614,280

Part X **Other Liabilities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	
DEFERRED COMPENSATION	13,881,997
PENSION LIABILITY	33,249,772
A/P TO THIRD-PARTY REIMBURSEMENT PROGRAMS	4,778,202
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	51,909,971

2. Liability for uncertain tax positions In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☑

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	317,457,213
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	-2,089,868		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	-13,393,566		
e	Add lines **2a** through **2d**			2e	-15,483,434
3	Subtract line **2e** from line **1**			3	332,940,647
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b			
c	Add lines **4a** and **4b**			4c	0
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	332,940,647

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	290,056,892
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	290,056,892
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b	-477,906		
c	Add lines **4a** and **4b**			4c	-477,906
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	289,578,986

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
PART V, LINE 4	TEMPORARILY RESTRICTED NET ASSETS ARE RESTRICTED FOR EDUCATION SCHOLARSHIP GRANTS AND VARIOUS HEALTH CARE PROGRAMS PERMANENTLY RESTRICTED NET ASSETS ARE TO BE HELD IN PERPETUITY, THE INCOME FROM WHICH IS EXPENDABLE FOR HOSPITAL DEVELOPMENT
PART X, LINE 2	IN ORDER TO ACCOUNT FOR ANY UNCERTAIN TAX POSITIONS, THE CORPORATION DETERMINES WHETHER IT IS MORE LIKELY THAN NOT THAT A TAX POSITION WILL BE SUSTAINED UPON EXAMINATION ON THE TECHNICAL MERITS OF THE POSITION, ASSUMING THAT TAXING AUTHORITY HAS FULL KNOWLEDGE OF ALL INFORMATION IF THE TAX POSITION DOES NOT MEET THE MORE LIKELY THAN NOT RECOGNITION THRESHOLD, THE BENEFIT OF THAT POSITION IS NOT RECOGNIZED IN THE FINANCIAL STATEMENTS THE CORPORATION HAS NOT RECORDED ANY ASSETS OR LIABILITIES RELATED TO UNCERTAIN TAX POSITIONS IN 2014 AND 2013 TAX RETURNS FOR THE YEARS ENDED JUNE 30, 2010 AND BEYOND REMAIN SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE
PART XI, LINE 2D - OTHER ADJUSTMENTS	CHANGE IN PENSION OBLIGATION OTHER THAN PENSION EXPENSE -170,689 REVENUE SHARING WITH AFFILIATE -13,211,087 SCHOLARSHIPS INCLUDED IN INCOME -11,790
PART XII, LINE 4B - OTHER ADJUSTMENTS	SCHOLARSHIPS INCLUDED IN INCOME 11,790 MACRS DEPRECIATION ADJUSTMENT - 489,696

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
UNITED HOSPITAL SYSTEM INC

Employer identification number
39-0816845

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities Check all that apply

- **a** ☐ Mail solicitations
- **b** ☐ Internet and email solicitations
- **c** ☐ Phone solicitations
- **d** ☐ In-person solicitations
- **e** ☐ Solicitation of non-government grants
- **f** ☐ Solicitation of government grants
- **g** ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ **Yes** ☐ **No**

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization

	(i) Name and address of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions? Yes	No	**(iv)** Gross receipts from activity	**(v)** Amount paid to (or retained by) fundraiser listed in col **(i)**	**(vi)** Amount paid to (or retained by) organization
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
Total . . . . . ▶							

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1 GOLF OUTING (event type)	(b) Event #2 (event type)	(c) Other events (total number)	(d) Total events (add col (a) through col (c))
Revenue	1 Gross receipts	73,804			73,804
	2 Less Contributions	27,756			27,756
	3 Gross income (line 1 minus line 2)	46,048			46,048
Direct Expenses	4 Cash prizes	0			
	5 Noncash prizes	11,220			11,220
	6 Rent/facility costs				
	7 Food and beverages	35,728			35,728
	8 Entertainment	10,320			10,320
	9 Other direct expenses	2,016			2,016
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(59,284)
	11 Net income summary Subtract line 10 from line 3, column (d) ▶				-13,236

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes % ☐ No	☐ Yes % ☐ No	☐ Yes % ☐ No	
	7 Direct expense summary Add lines 2 through 5 in column (d) ▶				
	8 Net gaming income summary Subtract line 7 from line 1, column (d) ▶				

9 Enter the state(s) in which the organization operates gaming activities _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain _____

11

Does the organization operate gaming activities with nonmembers? . . . . . ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . . ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in

a	The organization's facility	13a	%
b	An outside facility	13b	%

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶ .....

Address ▶ .....

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . . ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____

c If "Yes," enter name and address of the third party

Name ▶ .....

Address ▶ .....

16 Gaming manager information

Name ▶ .....

Gaming manager compensation ▶ $ .....

Description of services provided ▶ .....

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . . ☐ Yes ☐ No

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $

Part IV Supplemental Information. Provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Return Reference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
UNITED HOSPITAL SYSTEM INC

Employer identification number
39-0816845

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			4,456,306		4,456,306	1 660 %
b Medicaid (from Worksheet 3, column a)			44,385,566	23,381,827	21,003,739	7 800 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			48,841,872	23,381,827	25,460,045	9 460 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	236	55,794	309,339		309,339	0 110 %
f Health professions education (from Worksheet 5)		6	585,398		585,398	0 220 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)			7,000		7,000	0 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)	26	550	284,363		284,363	0 110 %
j **Total.** Other Benefits	262	56,350	1,186,100		1,186,100	0 440 %
k **Total.** Add lines 7d and 7j	262	56,350	50,027,972	23,381,827	26,646,145	9 900 %

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development	5		12,440		12,440	0 %
3	Community support	4	473	127,590		127,590	0 050 %
4	Environmental improvements						
5	Leadership development and training for community members		250	18,944		18,944	0 010 %
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development	5		1,186		1,186	0 %
9	Other						
10	**Total**	14	723	160,160		160,160	0 060 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	6,917,716		
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	0		
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	50,907,850
6	Enter Medicare allowable costs of care relating to payments on line 5	6	66,768,994
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-15,861,144
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a	Yes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	Yes	

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

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

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

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

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information *(continued)*

Section 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 SAINT CATHERINE'S MEDICAL CENTER CAMPUS

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) 2

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

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information *(continued)*

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

Form and Line Reference	Explanation
See Additional Data Table	

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? **8**

	Name and address	Type of Facility (describe)
1	KENOSHA NORTHSIDE CLINIC 3601 30TH AVENUE SUITE 205 KENOSHA, WI 53143	OUTPATIENT PHYSICIAN CLINIC
2	PADDOCK LAKE FAMILY MEDICINE CLINIC 7322 236TH AVENUE PADDOCK LAKE, WI 53168	OUTPATIENT PHYSICIAN CLINIC
3	THE GURNEE CLINIC 1790 NATIONS DRIVE SUITE 106 GURNEE, IL 60031	OUTPATIENT PHYSICIAN CLINIC
4	LAKEVIEW RECPLEX 9900 TERWALL TERRACE PLEASANT PRAIRIE, WI 53158	REHABILITATION CLINIC
5	VERNON ELEMENTARY SCHOOL - POOL AREA 8518 22ND AVENUE KENOSHA, WI 53143	REHABILITATION CLINIC
6	NORTH CENTRAL CLINIC 6127 GREEN BAY ROAD SUITE 200 KENOSHA, WI 53142	OUTPATIENT PHYSICIAN CLINIC
7	SCMCC-MMB 9697 ST CATHERINES DRIVE PLESANT PRAIRIE, WI 53158	OUTPATIENT PHYSICIAN CLINIC
8	RCW ADMINISTRATIVE BUILDING 5000 68TH AVE KENOSHA, WI 53144	ADMINISTRATIVE BUILDING
9		
10		

Part VI Supplemental Information

Provide the following information

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

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

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

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

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

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

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

Form and Line Reference	Explanation
PART I, LINE 7	THE COST METHOD USED TO CALCULATE THE COST OF THE COMMUNITY BENEFIT PROGRAMS WAS THE COST-TO-CHARGE RATIO WORKSHEET 2 WAS USED TO CALCULTE THE RATIO OF PATIENT CARE COST TO CHARGES

Form and Line Reference	Explanation
PART I, LN 7 COL(F)	THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $20,397,582

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	MANY STAFF MEMBERS ARE UTILIZED TO PROMOTE THE HEALTH OF THE COMMUNITY AND THE GENERAL WELL-BEING OF THE COMMUNITY WE SERVE THROUGH OUR EMERGENCY PREPAREDNESS COMMITTEE, STAFF ARE ALWAYS PLANNING AND PREPARING TO BE READY TO MEET THE NEEDS OF THE COMMUNITY AS EVENTS OCCUR ADDITIONALLY, A VARIETY OF STAFF WORK WITH LOCAL SCHOOLS AND OTHER ORGANIZATIONS TO GIVE TALKS PROMOTING HEALTH AND CAREERS IN HEALTHCARE A NUMBER OF STAFF MEMBERS ARE INVOLVED IN MENTORING PROGRAMS WITHIN THE LOCAL SCHOOLS RECOGNIZING THE IMPORTANCE OF SUSTAINING AND GROWING OUR ECONOMY, WE PARTICIPATE IN OUR LOCAL BUSINESS ALLIANCE

Form and Line Reference	Explanation
PART III, LINE 4	MANAGEMENT PROVIDES FOR PROBABLE UNCOLLECTIBLE AMOUNTS, PRIMARILY UNINSURED PATIENTS AND AMOUNTS PATIENTS ARE PERSONALLY RESPONSIBLE FOR, THROUGH A CHARGE TO OPERATIONS AND A CREDIT TO A VALUATION ALLOWANCE BASED ON ITS ASSESSMENT OF HISTORICAL COLLECTION EXPERIENCE AND THE CURRENT STATUS OF INDIVIDUAL ACCOUNTS BALANCES THAT ARE STILL OUTSTANDING AFTER MANAGEMENT HAS USED REASONABLE COLLECTION EFFORTS ARE WRITTEN OFF THROUGH A CHARGE TO THE VALUATION ALLOWANCE AND A CREDIT TO PATIENT ACCOUNTS RECEIVABLE WORKSHEET A IN THE INSTRUCTIONS WAS USED TO DETERMINE THE COSTING METHODOLOGY

Form and Line Reference	Explanation
PART III, LINE 8	SCHEDULE H PART III SECTION B LINE 6 REPORTS "ALLOWABLE COSTS OF CARE" AS TAKEN FROM THE MOST RECENTLY FILED MEDICARE COST REPORT AVAILABLE AT THE TIME THE COMMUNITY BENEFIT REPORT IS PUBLISHED THE MEDICARE COST REPORT CALCULATES ITS ALLOWABLE TOTAL COSTS BASED ON APPLICABLE MEDICARE REGULATIONS MEDICARE AND MEDICAID COST IS DETERMINED USING INDIVIDUAL COST CENTER COST-TO-CHARGE RATIOS THIS COST TO CHARGE RATIO IS DETERMINED USING ALL PAYER COST AND ALL PAYER CHARGES THE COST TO CHARGE RATIO IS APPLIED TO THE ACTUAL MEDICARE AND MEDICAID CHARGES TO DETERMINE THE MEDICARE AND MEDICAID COST THIS ORGANIZATION HAS ADOPTED THE COST AND CHARGE PRACTICES AS RECOMMENDED BY THE CATHOLIC HEALTH ASSOCIATION AND THE WISCONSIN, IOWA, OR ILLINOIS HOSPITAL ASSOCIATION AS APPLICABLE, AND THEREFORE, DOES NOT COUNT ANY MEDICARE SHORTFALL NUMBERS IN ITS ANNUAL REPORTING OF COMMUNITY BENEFIT AMOUNTS

Form and Line Reference	Explanation
PART III, LINE 9B	OUR COLLECTION PROCESS IS THE SAME FOR ALL PATIENTS IF A PATIENT EXPRESSES A NEED FOR FINANCIAL ASSISTANCE WE OFFER THE COMMUNITY CARE APPLICATION WE BILL ALL INSURANCES PATIENT DOES NOT RECEIVE A COPY OF THE BILL UNTIL IT IS THEIR BALANCE WE SEND THREE STATEMENTS FROM OUR FINANCIAL SYSTEM WE HAVE AN OUTSIDE COLLECTION AGENCY SEND OUT OUR REQUIRED FINAL REQUEST LETTERS FROM THIS POINT THE OUTSTANDING BALANCE IS HANDLED BY THE COLLECTION AGENCY THE ACCOUNT DOES STAY ACTIVE ON OUR FINANCIAL SYSTEM FOR ONE YEAR AT THAT TIME THE OUTSTANDING BALANCE IS MOVED OVER TO A BAD DEBT STATUS

Form and Line Reference	Explanation
PART VI, LINE 2	IN AN EFFORT TO UNDERSTAND AND ASSIST IN ADDRESSING THE NEEDS OF THE COMMUNITY WE SERVE, UNITED HOSPITAL SYSTEM HAS INVOLVEMENT IN A VARIETY OF COMMUNITY COMMITTEES UNITED HOSPITAL SYSTEM HAS MULTIPLE STAFF, MANAGEMENT AND ADMINISTRATIVE LEVEL EMPLOYEES PARTICIPATE IN COMMITTEES THAT ARE SET UP TO ASSESS AND ADDRESS NEEDS IN THE COMMUNITY SUCH AS A HEALTHY LIFESTYLE COMMITTEE, MENTAL HEALTH COMMITTEE, INJURY PREVENTION COMMITTEE, SUICIDE PREVENTION COMMITTEE, INFANT MORTALITY COMMITTEE THROUGH OUR PARTICIPATION IN COMMUNITY COMMITTEES WE GAIN AN UNDERSTANDING ABOUT THE NEEDS OF THE COMMUNITY AS WELL AS THE OPPORTUNITY TO WORK TOGETHER TO ADDRESS THE NEEDS

Form and Line Reference	Explanation
PART VI, LINE 3	WHEN STATEMENTS ARE SENT FROM OUR FINANCIAL SYSTEM, THERE IS A PHONE NUMBER FOR THE PATIENT TO CALL FOR ASSISTANCE WITH THEIR BALANCES PATIENTS CALL AND WE WORK WITH THEM TO SET UP PAYMENT ARRANGEMENTS IF THEY EXPRESS ANY CONCERNS FOR FINANCIAL NEEDS WE OFFER TO SEND THEM A COMMUNITY CARE APPLICATION

Form and Line Reference	Explanation
PART VI, LINE 4	KENOSHA COUNTY IS A FAST GROWING LAKESHORE COUMMUNITY IN SOUTHEASTERN WISCONSIN LOCATED BETWEEN CHICAGO AND MILWAUKEE, KENOSHA COUNTY BOASTS A DIVERSE ECONOMY KENOSHA IS THE FOURTH LARGEST CITY IN THE STATE OF WISCONSIN WITH 99,218 RESIDENTS REPORTED IN THE 2010 CENSUS KENOSHA IS NOW THE EIGHTH LARGEST COUNTY IN WISCONSIN IN TERMS OF POPULATION WITH 166,426 RESIDENTS UNITED HOSPITAL SYSTEM SERVES PEOPLE IN SOUTHEASTERN WISCONSIN AND NORTHERN ILLINOIS THROUGH ITS TWO HOSPITAL CAMPUSES, ST CATHERINE'S MEDICAL CENTER AND KENOSHA MEDICAL CENTER AURORA MEDICAL CENTER ALSO HAS A HOSPITAL CAMPUS IN KENOSHA

Form and Line Reference	Explanation
PART VI, LINE 5	UNITED HOSPITAL SYSTEM IS COMMITTED TO IMPROVING THE HEALTH OF OUR PATIENTS AND NEIGHBORS WE OFFER A VARIETY OF COMMUNITY OUTREACH PROGRAMS TO HELP THE GENERAL PUBLIC MAINTAIN GOOD HEALTH THESE INCLUDE FREE COMMUNITY EDUCATION SEMINARS, HEALTH SCREENINGS, AND VARIOUS SUPPORT GROUPS

Form and Line Reference	Explanation
PART VI, LINE 7, REPORTS FILED WITH STATES	WI

Additional Data

Software ID:
Software Version:
EIN: 39-0816845
Name: UNITED HOSPITAL SYSTEM INC

990 Schedule H, Supplemental Information

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

Form and Line Reference	Explanation
KENOSHA MEDICAL CENTER CAMPUS	
SAINT CATHERINE'S MEDICAL CENTER CAMPUS	PART V, SECTION B, LINE 3 AS PART OF THE CHNA PROCESS, SEVERAL PERSONS WHO REPRESENT THE COMMUNITY SERVED BY UNITED HOSPITAL SYSTEM PROVIDED VALUE FEEDBACK REGARDING THEIR VIEWS OF THE HEALTHCARE CHALLENGES FACING OUR COMMUNITY THOSE COMMUNITY REPRESENTATIVES INCLUDED [1] THE MEDICAL DIRECTOR OF THE HOSPITALIST GROUP CONTRACTED TO PROVIDE SERVICES AT UNITED HOSPITAL SYSTEM, [2] THE DIRECTOR/HEALTH OFFICER FROM THE KENOSHA PUBLIC HEALTH DEPARTMENT FOR KENOSHA COUNTY, WISCONSIN, [3] THE CHIEF EXECUTIVE OFFICER FOR THE UNITED WAY OF KENOSHA COUNTY, [4] A COMMUNITY-BASED, INDEPENDENT MASTERS OF SOCIAL WORK TRAINED MENTAL HEALTH PROFESSIONAL, [5] THE PRESIDENT OF THE KENOSHA AREA BUSINESS ALLIANCE (A KENOSHA BUSINESS COMMUNITY ORGANIZATION) AND [6] THE DIRECTOR OF THE KENOSHA COUNTY DIVISION OF AGING AND DISABILITY SERVICES THE INFORMATION/FEEDBACK PROVIDED BY THESE PERSONS WHO REPRESENT THE COMMUNITY SERVED BY UNITED HOSPITAL SYSTEM WAS INCORPORATED INTO THE COMMUNITY HEALTH NEEDS ASSESSMENT, IDENTIFICATION, PRIORITIZATION AND IMPLEMENTATION PLANNING SUMMARY
KENOSHA MEDICAL CENTER CAMPUS	PART V, SECTION B, LINE 7 THE COMMUNITY HEALTH NEEDS ASSESSMENT WAS CONDUCTED DURING THE FISCAL YEAR ENDED 2014 AS PART OF THE COMMUNITY HEALTH NEEDS ASSESSMENT, A THREE (3) YEAR ACTION PLAN WAS DEVELOPED IN AN EFFORT TO ADDRESS THE NEEDS IDENTIFIED WITHIN THE COMMUNITY HEALTH NEEDS ASSESSMENT UNITED HOSPITAL SYSTEM IS ACTIVELY WORKING ON THE ACTION ITEMS ESTABLISHED FOR YEAR TWO
SAINT CATHERINE'S MEDICAL CENTER CAMPUS	PART V, SECTION B, LINE 7 THE COMMUNITY HEALTH NEEDS ASSESSMENT WAS CONDUCTED DURING THE 2014 TAX YEAR AS PART OF THE COMMUNITY HEALTH NEEDS ASSESSMENT, A THREE (3) YEAR ACTION PLAN WAS DEVELOPED IN AN EFFORT TO ADDRESS THE NEEDS IDENTIFIED WITHIN THE COMMUNITY HEALTH NEEDS ASSESSMENT UNITED HOSPITAL SYSTEM IS ACTIVELY WORKING ON THE ACTION ITEMS ESTABLISHED FOR YEAR TWO
KENOSHA MEDICAL CENTER CAMPUS	PART V, SECTION B, LINE 20D SELF-PAY PATIENTS ARE OFFERED A FLAT DISCOUNT AND A PROMPT PAY DISCOUNT OFF BILLED SERVICES IN SUCH A WAY AS TO MIMIC THE LOWEST NEGOTIATED COMMERCIAL INSURANCE RATES
SAINT CATHERINE'S MEDICAL CENTER CAMPUS	PART V, SECTION B, LINE 20D SELF-PAY PATIENTS ARE OFFERED A FLAT DISCOUNT AND A PROMPT PAY DISCOUNT OFF BILLED SERVICES IN SUCH A WAY AS TO MIMIC THE LOWEST NEGOTIATED COMMERCIAL INSURANCE RATES

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.

▶ **Attach to Form 990**

▶ **Information about Schedule I (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
UNITED HOSPITAL SYSTEM INC

Employer identification number
39-0816845

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . ☑ Yes ☐ No

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

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance

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

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

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) SCHOLARSHIP FINANCIAL ASSISTANCE TO INDIVIDUALS	12	11,790			

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

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**
▶ **Information about Schedule J (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
UNITED HOSPITAL SYSTEM INC

Employer identification number
39-0816845

Part I Questions Regarding Compensation

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

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

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

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

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

Additional Data

Software ID:
Software Version:
EIN: 39-0816845
Name: UNITED HOSPITAL SYSTEM INC

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
RICHARD O SCHMIDT JR PRESIDENT/CEO/DIRECTOR	(I) (II)	767,240 0	338,485 0	13,219 0	138,888 0	28,751 0	1,286,583 0	0 0
RAYMOND KNIGHT MD DIRECTOR/PHYSICIAN	(I) (II)	372,936 0	0 0	3,048 0	38,888 0	23,686 0	438,558 0	0 0
W HARLEY SOBIN MD DIRECTOR/PHYSICIAN	(I) (II)	257,951 0	599,326 0	1,584 0	38,888 0	23,686 0	921,435 0	0 0
LINDA WOHLGEMUTH ASST SECRETARY/VP-COO-SCMC	(I) (II)	390,122 0	74,927 0	2,322 0	63,887 0	8,122 0	539,380 0	0 0
THOMAS KELLEY ASST TREASURER/VP-CFO	(I) (II)	267,075 0	53,050 0	537 0	63,887 0	23,686 0	408,235 0	0 0
SUSAN VENTURA SVP/COO-KMCC	(I) (II)	390,122 0	74,927 0	3,564 0	63,887 0	8,122 0	540,622 0	0 0
ASHWANI SETHI MD PHYSICIAN	(I) (II)	447,432 0	416,201 0	1,032 0	38,888 0	25,682 0	929,235 0	0 0
MARIO GARRETTO MD PHYSICIAN	(I) (II)	518,744 0	289,153 0	1,584 0	38,888 0	25,502 0	873,871 0	0 0
KATHERINE ABBO MD PHYSICIAN	(I) (II)	598,492 0	0 0	0 0	38,888 0	6,711 0	644,091 0	0 0
NEIL SHEPLER MD PHYSICIAN	(I) (II)	257,691 0	399,580 0	1,032 0	38,888 0	23,686 0	720,877 0	0 0
KEVIN FULLIN MD PHYSICIAN	(I) (II)	595,070 0	0 0	0 0	38,888 0	22,410 0	656,368 0	0 0

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
UNITED HOSPITAL SYSTEM INC

Employer identification number
39-0816845

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) ROBERT LEE	DIRECTOR	201,104	SERVICES PROVIDED BY LEE PLUMBING ROBERT LEE OWNS LEE PLUMBING		No
(2) DAVID RILEY	DIRECTOR	2,326,219	SERVICES PROVIDED BY RILEY CONSTRUCTION DAVID RILEY OWNS RILEY CONSTRUCTION		No
(3) ROBERT LEE	DIRECTOR	720,646	SERVICES PROVIDED BY LEE ELECTRICAL ROBERT LEE OWNS LEE ELECTRICAL		No

Part V Supplemental Information

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

Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.
▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
UNITED HOSPITAL SYSTEM INC

Employer identification number
39-0816845

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	
FORM 990, PART VI, SECTION B, LINE 12C	UNITED HOSPITAL SYSTEM'S WRITTEN CONFLICT OF INTEREST POLICY FOR THE BOARD IS REVIEWED ANN UALLY BY EACH BOARD MEMBER, AND ANY POTENTIAL CONFLICTS OF INTEREST ARE DISCLOSED AT THAT TIME. THE WRITTEN CONFLICT OF INTEREST POLICY FOR EMPLOYEES IS REVIEWED DURING ORIENTATION AND PERIODICALLY AT ORGANIZATION MEETINGS, AND IS INCORPORATED INTO THE PERFORMANCE STAND ARDS OF THEIR ANNUAL EVALUATIONS. IF A CONFLICT ARISES, DEPENDING UPON THE NATURE OF THE F INANCIAL INTEREST AND WORK DONE BY THE BOARD, SEVERAL ACTIONS MAY BE CONSIDERED. THE BOARD MEMBER WITH A FINANCIAL INTEREST WOULD NEED TO VOLUNTARILY EXCUSE HIM OR HERSELF FROM THE DELIBERATIONS OR VOTING ON SUCH A MATTER, OR, IF NECESSARY, THE BOARD WOULD DETERMINE THA T THE SUBJECT'S FINANCIAL INTEREST WAS AN ACTUAL CONFLICT OF INTEREST, IN WHICH CASE THE B OARD MEMBER WOULD BE INFORMED BY THE BOARD CHAIRPERSON THAT HE OR SHE WOULD NOT BE ALLOWED TO VOTE IN ANY SUCH MATTERS DUE TO THIS REAL OR PERCEIVED CONFLICT OF INTEREST. MINUTES O F THE BOARD MEETING WOULD DOCUMENT THIS DECISION PROCESS, AND REFLECT WHATEVER ACTION (S) A RE ULTIMATELY TAKEN
FORM 990, PART VI, SECTION B, LINE 15	THE COMPENSATION FOR THE PRESIDENT, CEO AND GENERAL COUNSEL AND THE COMPENSATION FOR THE V ICE PRESIDENTS REPORTING DIRECTLY TO THE PRESIDENT, CEO AND GENERAL COUNSEL ARE DETERMINED BY THE BOARD EXECUTIVE COMMITTEE WHICH SERVES AS THE BOARD COMPENSATION COMMITTEE. THE BO ARD COMPENSATION COMMITTEE CONTRACTS WITH THE HEALTHCARE COMPENSATION FIRM NAMED THE GROVE S GROUP, LLC, AND HAS UTILIZED THE PRESIDENT OF THE GROVES GROUP, LLC AS THE COMPENSATION CONSULTANT SINCE 2005. THE COMPENSATION CONSULTANT UTILIZES A METHODOLOGY THAT EVALUATES I NTERNAL AND EXTERNAL EQUITY AFTER EVALUATING THE RESPONSIBILITIES OF EACH POSITION AND MAK ES A RECOMMENDATION TO THE BOARD COMPENSATION COMMITTEE. THE BOARD COMPENSATION COMMITTEE HAS FOLLOWED THE DETAILED RECOMMENDATIONS OF THE COMPENSATION CONSULTANT ANNUALLY SINCE 20 05 AND THE COMPENSATION CONSULTANT HAS BEEN RETAINED THROUGH 2015
FORM 990, PART VI, SECTION C, LINE 19	THESE DOCUMENTS ARE MADE AVAILABLE UPON REQUEST
FORM 990, PART XI, LINE 9	CHANGE IN MINIMUM PENSION OBLIGATION -170,689 REVENUE SHARING WITH AFFILIATE -13,211,087 MACRS DEPRECIATION ADJUSTMENT -489,696

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
UNITED HOSPITAL SYSTEM INC

Employer identification number
39-0816845

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) ST CATHERINE'S HOSPITAL INC 6308 8TH AVENUE KENOSHA, WI 53143 39-0855075	HEALTHCARE	WI	501(C)(3)	LINE 11B, II	N/A		No
(2) UHS INC 6308 8TH AVENUE KENOSHA, WI 53143 39-1956749	HEALTHCARE	WI	501(C)(3)	LINE 9	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) Disproprtionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

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

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

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

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

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

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

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

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

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

Part VII Supplemental Information

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

Return Reference	Explanation

UHS, Inc. and Affiliates

Kenosha, Wisconsin

Combined Financial Statements and Combining Information

Years Ended June 30, 2014 and 2013

UHS, Inc. and Affiliates

Combined Financial Statements and Combining Information

Years Ended June 30, 2014 and 2013

Table of Contents

WIPFLi LLP

Independent Auditor's Report

Board of Directors
UHS, Inc.
Kenosha, Wisconsin

We have audited the accompanying combined financial statements of UHS, Inc. and Affiliates, which comprise the combined balance sheets as of June 30, 2014 and 2013, and the related combined 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 Combined Financial Statements

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

Auditor's Responsibility

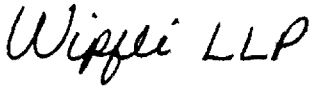
Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of UHS, Inc. and Affiliates as of June 30, 2014 and 2013, and the results of their operations, changes in their net assets, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.



Wipfli LLP

October 13, 2014
Milwaukee, Wisconsin

UHS, Inc. and Affiliates

Combined Balance Sheets

June 30, 2014 and 2013

Assets	2014	2013
Current assets		
Cash and cash equivalents	$ 103,896,147	$ 77,129,398
Patient accounts receivable - Net	43,716,840	35,183,455
Inventory	4,041,410	4,162,748
Investments	15,324,672	2,168,394
Prepaid expenses and other	4,084,521	4,102,169
Amounts receivable from third-party reimbursement programs	-	68,097
Total current assets	171,063,590	122,814,261
Assets limited as to use	86,198,734	94,337,859
Property and equipment - Net	205,071,380	212,152,474
TOTAL ASSETS	$ 462,333,704	$ 429,304,594

Liabilities and Net Assets	2014	2013
Current liabilities		
Accounts payable		
Trade	$ 3,742,521	$ 4,384,934
Construction	914,929	941,936
Accrued salaries, wages, and payroll taxes	17,526,155	17,567,081
Other accrued expenses	6,249,773	5,915,159
Amounts payable to third-party reimbursement programs	4,778,202	-
Total current liabilities	33,211,580	28,809,110
Deferred compensation	13,881,997	10,908,216
Pension liability	33,249,772	44,651,934
Total liabilities	80,343,349	84,369,260
Net assets		
Unrestricted	379,952,531	342,904,778
Temporarily restricted	520,176	513,136
Permanently restricted	1,517,648	1,517,420
Total net assets	381,990,355	344,935,334
TOTAL LIABILITIES AND NET ASSETS	$ 462,333,704	$ 429,304,594

See accompanying notes to combined financial statements.

UHS, Inc. and Affiliates

Combined Statements of Operations

Years Ended June 30, 2014 and 2013

	2014	2013
Revenue		
Patient service revenue (net of contractual allowances and discounts)	$ 313,177,658	$ 301,924,037
Provision for bad debts	(20,397,582)	(22,674,994)
Net patient service revenue, less provisions for bad debts	292,780,076	279,249,043
Other operating income	8,532,377	7,937,628
Total revenue	301,312,453	287,186,671
Expenses.		
Salaries and wages	116,266,535	115,093,469
Employee benefits and payroll taxes	31,658,603	36,383,538
Supplies	53,196,654	46,001,728
Other	49,058,232	45,492,987
Interest	-	348,994
Depreciation	23,058,062	22,839,050
Total expenses	273,238,086	266,159,766
Income from operations	28,074,367	21,026,905
Nonoperating gains		
Investment return in excess of amounts designed for current operations	11,174,321	2,804,347
Other - Net	47,832	159,828
Excess of revenue over expenses	39,296,520	23,991,080
Other changes in unrestricted net assets		
Change in net unrealized gains and losses on investments other than trading securities	(2,089,868)	3,976,066
Net assets released from restrictions	11,790	9,075
Change in pension obligation other than pension expense	(170,689)	32,510,365
Change in unrestricted net assets	$ 37,047,753	$ 60,486,586

See accompanying notes to combined financial statements.

UHS, Inc. and Affiliates

Combined Statements of Changes in Net Assets

Years Ended June 30, 2014 and 2013

	2014	2013
Unrestricted net assets		
Excess of revenue over expenses	$ 39,296,520	$ 23,991,080
Other changes in unrestricted net assets		
Change in net unrealized gains and losses on investments other than trading securities	(2,089,868)	3,976,066
Net assets released from restrictions	11,790	9,075
Change in pension obligation other than pension expense	(170,689)	32,510,365
Increase in unrestricted net assets	37,047,753	60,486,586
Temporarily restricted net assets		
Contributions and earnings	18,830	2,053
Net assets released from restrictions	(11,790)	(9,075)
Increase (decrease) in temporarily restricted net assets	7,040	(7,022)
Increase (decrease) in permanently restricted net assets - Contributions and earnings (losses)	228	(1,564)
Change in net assets	37,055,021	60,478,000
Net assets at beginning	344,935,334	284,457,334
Net assets at end	$ 381,990,355	$ 344,935,334

See accompanying notes to combined financial statements.

UHS, Inc. and Affiliates

Combined Statements of Cash Flows

Years Ended June 30, 2014 and 2013

	2014	2013
Increase (decrease) in cash and cash equivalents		
Cash flows from operating activities		
Change in net assets	$ 37,055,021	$ 60,478,000
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	23,058,062	22,839,050
Provision for bad debts	20,397,582	22,674,994
Change in pension obligation other than pension expense	170,689	(32,510,365)
(Gain) loss from disposal of property and equipment	13,073	(31,253)
Change in net unrealized gains and losses on investments other than trading securities	2,089,868	(3,976,066)
Net realized gain on sale of marketable securities	(10,137,512)	(1,498,108)
Changes in operating assets and liabilities		
Patient accounts receivable	(28,930,967)	(21,619,327)
Inventory	121,338	50,362
Prepaid expenses and other	17,648	130,351
Accounts payable	(642,413)	772,521
Accrued expenses	293,688	1,293,545
Amounts receivable from/payable to third-party reimbursement programs	4,846,299	(2,142,845)
Other liabilities	(8,599,070)	13,979,279
Net cash provided by operating activities	39,753,306	60,440,138

UHS, Inc. and Affiliates

Combined Statements of Cash Flows (Continued)

Years Ended June 30, 2014 and 2013

	2014	2013
Cash flows from investing activities		
Net sales (purchases) of investments and assets limited as to use	$ 3,030,491	$ (9,245,857)
Capital expenditures	(16,153,548)	(12,369,086)
Proceeds from disposal of property and equipment	136,500	51,750
Net cash used in investing activities	(12,986,557)	(21,563,193)
Cash flows from financing activities		
Principal payments on long-term debt	-	(16,378,570)
Net cash provided by (used in) financing activities	-	(16,378,570)
Net increase in cash and cash equivalents	26,766,749	22,498,375
Cash and cash equivalents at beginning	77,129,398	54,631,023
Cash and cash equivalents at end	$ 103,896,147	$ 77,129,398
Supplemental cash flow information:		
Cash paid for interest	$ -	$ 348,994
Noncash financing activities:		
Capital expenditures in accounts payable	$ 914,929	$ 941,936

See accompanying notes to combined financial statements.

UHS, Inc. and Affiliates

Notes to Combined Financial Statements

Note 1 Summary of Significant Accounting Policies

The Organization

UHS, Inc. ("UHS") is a nonstock, not-for-profit corporation located in Kenosha, Wisconsin, and is the operating member of United Hospital System, Inc. and St. Catherine's Hospital, Inc. (collectively the "Corporation"). UHS does not currently have any assets or liabilities.

United Hospital System, Inc. ("United") is an acute care hospital that provides inpatient, outpatient, and emergency care services for residents of southeastern Wisconsin and northern Illinois. United also operates medical clinics. United operates two hospital campuses, the Kenosha campus on the east side of Kenosha and the St. Catherine's campus on the west side of Kenosha.

St. Catherine's Hospital, Inc.'s ("St. Catherine's") sole corporate member is OSF Services, Inc. ("OSF"). Wheaton Franciscan Healthcare, Inc. (WFH) is the sole corporate member of OSF. WFH operates under the tenets of the Roman Catholic Church and in accordance with the philosophy and values of the Franciscan Sisters. St. Catherine's owns the St. Catherine's campus which is operated by United.

On July 6, 1998, United, St. Catherine's, OSF, and WFH entered into an Integration Agreement. Under the Integration Agreement, United and St. Catherine's formed UHS, which became the operating member of both United and St. Catherine's, with significant reserved powers. The purpose of the integration was to facilitate the development and operation of a health care system for the Kenosha, Wisconsin regional community, reduce the cost and duplication of services, and provide appropriate new services that most efficiently and effectively meet the needs of the community. The Integration Agreement provides for the sharing of income or losses on a percentage basis of the combined results of operations of United, St. Catherine's, and UHS as follows United 75% and St. Catherine's 25%.

Note 1 Summary of Significant Accounting Policies (Continued)

The Organization (Continued)

In 2001, UHS entered into a membership and affiliation agreement with Froedert & Community Health, Inc. (F&CH). UHS is structured such that there are two classes of members. United and St. Catherine's are the "Class A members" and F&CH is the sole "Class B member" of UHS. F&CH has the rights vested pursuant to the agreement, including entitlement to share in certain distributions made by the members of UHS. F&CH has no rights, interests, obligations, commitments, or liabilities under the Integration Agreement between United and St. Catherine's.

Financial Statement Presentation

The Corporation follows accounting standards set by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The ASC is the single source of authoritative accounting principles generally accepted in the United States (GAAP) to be applied to nongovernmental entities.

The combined financial statements include the accounts of United and St. Catherine's. All significant intercompany accounts and transactions have been eliminated in the accompanying combined financial statements.

Use of Estimates in Preparation of Financial Statements

The preparation of the accompanying combined financial statements in conformity with GAAP requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

Cash Equivalents

The Corporation considers all highly liquid short-term investments with a maturity of three months or less when acquired to be cash equivalents, with the exception of cash equivalents held as short-term investments in the Corporation's investment portfolio and amounts whose use is limited or restricted. Income earned on cash and cash equivalents is reported as other operating income.

Note 1 Summary of Significant Accounting Policies (Continued)

Patient Accounts Receivable and Credit Policy

Patient accounts receivable are uncollateralized patient obligations that are stated at the amount management expects to collect from outstanding balances. These obligations are primarily from residents of Kenosha County, Wisconsin, and Lake County, Illinois, most of whom are insured under third-party payor agreements. The Corporation bills third-party payors on the patients' behalf, or if a patient is uninsured, the patient is billed directly. Once claims are settled with the primary payor, any secondary insurance is billed, and patients are billed for coinsurance, copay, and deductible amounts that are the patients' responsibility. Payments on accounts receivable are applied to the specific claim identified on the remittance advice or statement.

The Corporation does not have a policy to charge interest on past due accounts.

Patient accounts receivable are recorded in the accompanying combined balance sheets net of contractual allowances and allowances for doubtful accounts, which reflect management's best estimate of the amounts that will not be collected. Management provides for contractual allowances under terms of third-party reimbursement agreements through a reduction of gross revenue and a credit to patient accounts receivable. In evaluating the collectibility of patient accounts receivable, management analyzes historical loss experience of uninsured patients and amounts for which patients are personally responsible. Using the loss experience rate, management estimates the appropriate allowance for doubtful accounts and provision for bad debts. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged against the allowance for doubtful accounts.

Inventory

Inventory of supplies are valued at the lower of cost, determined using the first-in, first-out (FIFO) method, or market.

Note 1 Summary of Significant Accounting Policies (Continued)

Investments and Investment Income

Certificates of deposit are stated at the principal contributed plus any accrued interest earned. All other investments, including investments in assets limited as to use, are recorded at fair value in the accompanying combined balance sheets.

Interest income on undesignated and unrestricted cash equivalents and other short-term investments is designated for current operations and is included in other operating revenue. All other investment income (including realized gains and losses, interest, and dividends) is reported as nonoperating gains (losses) and is included in the excess of revenue over expenses unless the income is restricted by donor or law. Unrealized gains and losses on investments are excluded from the excess of revenue over expenses unless the investments are trading securities. Realized gains or losses are determined by specific identification.

The Corporation monitors the difference between the cost and fair value of its investments. A decline in market value of an individual investment security below cost that is deemed to be other-than-temporary results in an impairment and the Corporation reduces the investment's carrying value to fair value. A new cost basis is established for the investment and any impairment loss is recorded as a realized loss in investment income.

Assets Limited as to Use

Assets limited as to use include assets designated by the Board of Directors for future capital improvements over which the Board retains control and may, at its discretion, subsequently use for other purposes, assets set aside to fund donor restricted net assets, and assets held in trust under deferred compensation arrangements.

Note 1 Summary of Significant Accounting Policies (Continued)

Property, Equipment, and Depreciation

Property and equipment acquisitions are recorded at cost or, if donated, at fair value at the date of donation. Maintenance and repair costs are charged to expense as incurred. Gains and losses on disposition of property and equipment are reflected in nonoperating gains and losses. Depreciation is provided over the estimated useful life of each class of depreciable asset and is primarily computed using the straight-line method. Estimated useful lives range from 5 to 25 years for land improvements, 5 to 40 for buildings and improvements, and 3 to 25 years for equipment.

Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets.

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

Asset Retirement Obligation

ASC Topic 410-20, *Accounting for Conditional Asset Retirement Obligations,* clarifies when an entity is required to recognize a liability for a conditional asset retirement obligation. Management has considered ASC Topic 410-20, specifically as it relates to its legal obligation to perform asset retirement activities, such as asbestos removal, on its properties. Management believes there is asbestos at the Kenosha campus, however, there is an indeterminate settlement date for the asset retirement obligation because the range of time over which the Corporation may settle the obligation is unknown and the Corporation cannot reasonably estimate the liability related to these asset retirement activities as of June 30, 2014.

Note 1 Summary of Significant Accounting Policies (Continued)

Net Assets

Unrestricted net assets are neither temporarily or permanently restricted by donor-imposed stipulations. Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity.

Excess of Revenue Over Expenses

The accompanying combined statements of operations include excess of revenue over expenses, which is considered the operating indicator. Changes in unrestricted net assets, which are excluded from the operating indicator include unrealized gains and losses on investments other than trading securities, net assets released from restrictions, and changes in the minimum pension obligation other than pension expense.

Patient Service Revenue (net of contractual allowances and discounts)

Patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors and any discounts provided to patients. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Retroactive adjustments and discounts are deducted from gross patient service revenue to determine patient service revenue (net of contractual allowances and discounts).

Note 1 Summary of Significant Accounting Policies (Continued)

Charity Care

The Corporation 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 Corporation does not pursue collection of amounts determined to qualify as charity care, they are not reported as patient service revenue or patient accounts receivable in the accompanying combined financial statements. The Corporation did not change its charity care policy during 2014 or 2013.

The estimated cost of providing care to patients under the Corporation's charity care policy is calculated by multiplying the ratio of cost to gross charges by the gross uncompensated charity care charges. Gross charges under the Corporation's charity care policy were $13,145,000 and $10,768,000 for the years ended June 30, 2014 and 2013, respectively. The costs to provide charity care under the charity care policy was approximately $4,706,000 and $3,989,000 for the years ended June 30, 2014 and 2013, respectively.

Hospital Assessments

Wisconsin state regulations require eligible hospitals to pay the state an annual assessment. The assessment period is the state's fiscal year which runs from July 1 to June 30. The assessment is based on each hospital's gross revenue, as defined by the regulations. The revenue generated from the assessment is to be used, in part, to increase overall reimbursement under the Wisconsin Medicaid program. The Corporation's assessment expense was approximately $7,978,000 and $7,905,000 for the year ended June 30, 2014 and 2013, respectively, and is included in other expense in the accompanying combined statements of operations. Any increases in reimbursement from Medicaid are included in patient service revenue.

Note 1 Summary of Significant Accounting Policies (Continued)

Donor-Restricted Gifts

Contributions are considered available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give cash and other assets to the Corporation are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying combined financial statements. When a temporary donor restriction expires, that is when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the combined statements of operations and statements of changes in net assets as net assets released from restrictions.

Advertising Costs

Advertising costs are expensed as incurred.

Income Taxes

UHS, United, and St. Catherine's are nonprofit corporations as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. They are also exempt from state income taxes on related income.

In order to account for any uncertain tax positions, the Corporation determines whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position, assuming that taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. The Corporation has not recorded any assets or liabilities related to uncertain tax positions in 2014 and 2013. Tax returns for the tax years 2010 and beyond remain subject to examination by the applicable taxing authorities.

Note 1 Summary of Significant Accounting Policies (Continued)

Fair Value Measurements

The Corporation measures fair value of its financial instruments, including assets within the defined benefit noncontributory retirement plan, using a three-tier hierarchy which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Corporation has the ability to access.

Level 2 Inputs to the valuation methodology include

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets in inactive markets.
- Inputs, other than quoted prices, that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

Note 1 Summary of Significant Accounting Policies (Continued)

Subsequent Events

Subsequent events have been evaluated through October 13, 2014, which is the date the combined financial statements were available to be issued. See Note 6 for discussion on a specific subsequent event.

Note 2 Reimbursement Arrangements With Third-Party Payors

The Corporation has agreements with third-party payors that provide for reimbursement at amounts which vary from its established rates. A summary of the basis of reimbursement with major third-party payors follows:

Medicare - Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Outpatient services provided to Medicare beneficiaries are reimbursed on a prospective payment methodology, which is based on a patient classification system.

Medicaid - Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors similar to the Medicare system. Outpatient services are paid on a prospectively determined rate per occasion of service.

Others - The Corporation has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Corporation under these agreements includes charges and discounts from established charges.

Medical Clinics - Reimbursement for clinic services rendered is based on charges, discounted charges, or fee schedules.

Note 2 Reimbursement Arrangements With Third-Party Payors (Continued)

Accounting for Contractual Arrangements

The Corporation is reimbursed for certain cost reimbursable items at an interim rate, and final settlements are determined after audit of the Corporation's related annual cost reports by the respective Medicare and Medicaid fiscal intermediaries. Estimated provisions to approximate the final expected settlements after review by the intermediaries are included in the accompanying combined financial statements. The Corporation's cost reports have been audited by the Medicare and Medicaid fiscal intermediaries through June 30, 2011.

Electronic Health Record Payments

The American Recovery and Reinvestment Act of 2009 (ARRA) provides for incentive payments under the Medicare and Medicaid programs for certain hospitals and physician practices that demonstate meaningful use of certified electronic health record (EHR) technology. The provisions of ARRA, collectively referred to as the Health Information Technology for Economic and Clinical Health Act (the "HITECH Act"), are intended to promote the adoption and meaningful use of health information technology and qualified EHR technology.

The Corporation recognizes revenue for EHR incentive payments when there is reasonable assurance that the conditions of the program will be met, primarily demonstrating meaningful use of certified EHR technology for the applicable period. The demonstration of meaningful use is based on meeting a series of objectives. Meeting the series of objectives in order to demonstrate meaningful use becomes progressively more stringent as its implementation is phased in through stages as outlined by the Centers for Medicare and Medicaid Services (CMS). Amounts recognized under the Medicare and Medicaid EHR incentive programs are based on management's best estimates, which are based in part on cost report data that is subject to audit by fiscal intermediaries, accordingly, amounts recognized are subject to change. The Corporation's compliance with the meaningful use criteria is subject to audit by the federal government or its designee.

Note 2 Reimbursement Arrangements With Third-Party Payors (Continued)

Electronic Health Record Payments (Continued)

The Corporation recorded approximately $1,759,000 and $2,529,000 in EHR incentive revenue from the Medicare program in 2014 and 2013, respectively, which is recorded in other operating income in the accompanying combined statements of operations. In addition, the Corporation recorded approximately $714,000 and $149,000 in EHR incentive revenue from the Medicaid program in 2014 and 2013, respectively, which is also included in other operating income in the accompanying combined statements of operations.

Compliance

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, particularly those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Violations of these laws and regulations could result in the imposition of significant fines and penalties, as well as repayments of previously billed and collected revenue from patient services. Management believes that the Corporation is in substantial compliance with current laws and regulations.

CMS uses Recovery Audit Contractors (RACs) as part of its efforts to ensure accurate payments under the Medicare program. RACs search for potentially inaccurate Medicare payments that may have been made to health care providers and that were not detected through existing CMS program integrity efforts. Once a RAC identifies a claim it believes is inaccurate, the RAC makes a deduction from or addition to the provider's Medicare reimbursement in an amount estimated to equal the overpayment or underpayment. The provider will then have the opportunity to appeal the adjustment before final settlement of the claim is made. The Corporation recorded a liability of approximately $5,000,000 and $1,400,000 in amounts payable to third-party reimbursement programs as of June 30, 2014 and 2013, respectively, in the accompanying combined balance sheets for certain identified billing and documentation issues, primarily related to short-stay inpatient hospital admissions, which are expected to be adjusted by the RAC.

Note 3 Patient Accounts Receivable

Patient accounts receivable consisted of the following at June 30.

	2014	2013
Patient accounts receivable	$125,980,790	$106,819,639
Less		
Contractual adjustments	60,967,082	49,495,202
Allowance for doubtful accounts	21,296,868	22,140,982
Patient accounts receivable - Net	$ 43,716,840	$ 35,183,455

Bad debt expense was $20,397,582 and $22,674,994 in 2014 and 2013, respectively, and was 2.8% and 3.3% of gross revenue in 2014 and 2013, respectively. Bad debt write-offs as a percentage of gross revenue (loss experience) was 3.3% in 2014 and 2013. The Corporation's patient accounts receivable from uninsured patients decreased approximately 2.0% in 2014, compared to 2013. These factors contributed to the allowance for doubtful accounts decreasing from 20.7% of patient accounts receivable at June 30, 2013, to 17.1% of patient accounts receivable at June 30, 2014. The Corporation has not changed its charity care or uninsured discount policies during 2014 or 2013.

Note 4 Investments, Assets Limited as to Use and Investment Income

Investments

Investments, stated at fair value, consisted of the following at June 30

	2014	2013
Cash equivalents	$ 19,493	$ 17,914
Corporate bonds	7,829,075	-
Fixed income mutual funds	5,895,078	780,850
Equity mutual funds	1,581,026	1,369,630
Total investments	$ 15,324,672	$ 2,168,394

Note 4 Investments, Assets Limited as to Use and Investment Income (Continued)

Assets Limited as to Use

Assets limited as to use consisted of the following at June 30

	2014	2013
Cash equivalents	$ 29,238,138	$ 5,506,192
Certificates of deposit	-	20,000,000
Corporate bonds	3,053,217	5,241,786
Fixed income mutual funds and common trust	3,047,749	20,313,643
Exchange traded funds	7,048,211	-
Equity mutual funds	6,698,137	32,310,269
Domestic equity securities	27,270,835	10,965,969
International equity securities	9,842,447	-
Total assets limited as to use	$ 86,198,734	$ 94,337,859

The composition of assets limited to use at June 30 is as follows

	2014	2013
Internally designated.		
Capital improvements	$ 68,290,288	$ 79,854,358
Deferred compensation	13,865,331	10,889,376
Other	2,005,291	1,563,569
Donor designated		
Scholarships	520,176	513,136
Permanent endowment	1,517,648	1,517,420
Total assets limited as to use	$ 86,198,734	$ 94,337,859

Note 4 Investments, Assets Limited as to Use and Investment Income (Continued)

Investment Income

Investment income including gains and losses on cash equivalents, investments, and assets limited as to use consisted of the following for the years ended June 30.

	2014	2013
Investment income - Other operating income		
Interest and dividend income	$ 275,442	$ 92,496
Investment income - Nonoperating gains		
Interest and dividend income	1,036,809	1,306,239
Net realized gains on sale of marketable securities	10,137,512	1,498,108
Total investment income - Nonoperating gains	11,174,321	2,804,347
Total investment income	$ 11,449,763	$ 2,896,843
Other change in unrestricted net assets - Change in net unrealized gains and losses on investments other than trading securities	$ (2,089,868)	$ 3,976,066

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the combined financial statements.

Note 4 Investments, Assets Limited as to Use and Investment Income (Continued)

Management assesses individual investment securities as to whether declines in market value are other-than-temporary and result in an impairment. For equity securities and mutual funds, the Corporation considers whether it has the ability and intent to hold the investment until a market price recovery. Evidence considered in this includes the reasons for the impairment, the severity and duration of the impairment, changes in value subsequent to year-end, the issuer's financial condition, and the general market condition in the geographic area or industry the investee operates in. For debt securities, if the Corporation has made a decision to sell the security, or if it's more likely than not the Corporation will sell the security before the recovery of the security's cost basis, an other-than-temporary impairment is considered to have occurred. If the Corporation has not made a decision or does not have an intent to sell the debt security, but the debt security is not expected to recover its value due to a credit loss, an other-than temporary impairment is considered to have occurred.

Because the Corporation has the intent and the ability to hold investment securities until a market price recovery or maturity, investment securities at June 30, 2014 and 2013, are not considered temporarily impaired, and no impairment losses were recognized by the Corporation during 2014 and 2013.

Note 5 Fair Value Measurements

Following is a description of the valuation methodologies used for assets measured at fair value, including assets held by the Corporation's defined benefit retirement plan (Note 12).

Cash equivalents, consisting primarily of money market funds, sweep agreements, and repurchase agreements, are valued using a net asset value (NAV) of $1. Equity securities listed on exchanges and preferred stocks are valued at the closing price reported on the active market on which the individual securities are traded. Mutual funds and exchange traded funds are valued at the daily closing price as reported by the fund. These funds are registered with the Securities and Exchange Commission and are required to publish their daily NAV and to transact at that price. Corporate and foreign bonds, U.S. government and agency obligations and some equity securities are valued using quotes from pricing vendors based on recent trading activity and other observable market data. Closely held securities and alternative investments are valued by an outside custodian using unobservable inputs and assumptions by the party valuing the assets. The common trust fund is valued at the NAV of units of the trust, and the NAV as provided by the trustee, is used as the practical expedient to estimating fair value. The NAV is based on the fair value of the underlying investments held by the fund less any liabilities.

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

Note 5 Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, the Corporation's assets at fair value as of June 30

	2014			
	Level 1	Level 2	Level 3	Total
Cash equivalents	$29,257,631	$ 104,057,240	$ -	$133,314,871
Fixed income mutual funds	8,942,827	-	-	8,942,827
Equity mutual funds	8,279,163	-	-	8,279,163
Exchange traded funds	7,048,211	-	-	7,048,211
Corporate bonds	-	10,882,292	-	10,882,292
International equity securities	9,842,447	-	-	9,842,447
Domestic equity securities	26,684,405	586,430	-	27,270,835
Totals	$ 90,054,684	$ 115,525,962	$ -	$205,580,646

	2013			
	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 5,524,106	$ 78,337,333	$ -	$83,861,439
Fixed income				
Mutual funds	3,599,205	-	-	3,599,205
Common trust	-	17,495,288	-	17,495,288
Corporate bonds	-	5,241,786	-	5,241,786
Equity mutual funds	33,679,899	-	-	33,679,899
Domestic equity securities	10,709,827	256,142	-	10,965,969
Totals	$ 53,513,037	$ 101,330,549	$ -	$154,843,586

Note 6 Property and Equipment

Property and equipment consisted of the following at June 30.

	2014	2013
Land	$ 15,374,397	$ 15,374,397
Land improvements	9,454,391	9,454,391
Buildings and improvements	279,250,902	265,526,884
Equipment	141,218,948	131,871,906
Total property and equipment	445,298,638	422,227,578
Less - Accumulated depreciation	242,209,911	219,483,717
Net depreciated value	203,088,727	202,743,861
Construction in progress	1,982,653	9,408,613
Property and equipment - Net	$ 205,071,380	$ 212,152,474

Construction in progress at June 30, 2014, primarily relates to routine renovation projects. Construction in progress at June 30, 2013, primarily relates to the St. Catherine's campus and consists of costs associated with an expansion and remodel of the existing facilities.

In August 2014, the Corporation signed an agreement for construction of a multi-purpose medical facility in Somers, Wisconsin. The cost for this project is estimated to be approximately $9,300,000, with a completion date in fiscal 2016.

These projects are being financed from internal resources.

Note 7 Line of Credit

The Corporation has a bank line of credit under which it could borrow up to $2,000,000. The line of credit bears interest at the Johnson Bank Reference Rate (3.25% at June 30, 2014), and expires July 1, 2015. There were no outstanding borrowings under this agreement at June 30, 2014 and 2013.

Note 8 Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets of $520,176 and $513,136 are restricted for educational scholarship grants at June 30, 2014 and 2013, respectively. Permanently restricted net assets of $1,517,648 and $1,517,420 at June 30, 2014 and 2013, respectively, are to be held in perpetuity, the income from which is expendable for hospital operations.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. Net assets released for scholarship grants totaled $11,790 and $9,075 during the years ended June 30, 2014 and 2013, respectively.

Note 9 Deferred Compensation

The Corporation has employment agreements with certain members of management and certain physicians whereby the Corporation is to maintain separate deferred compensation accounts corresponding to employment contract years. Corporation contributions under the agreements are at the sole discretion of the Corporation's Board of Directors. The expense recognized related to these agreements was approximately $627,000 and $605,000 for the years ended June 30, 2014 and 2013, respectively.

Contributions by the Corporation are to be deposited in investment accounts, subject to certain investment discretion. A portion of the contributions may be funded subsequent to the Corporation's fiscal year-end. The deferred compensation liability was $13,881,997 and $10,908,216 as of June 30, 2014 and 2013, respectively. Until ownership of an investment account is transferred to the beneficiary, each investment account is owned by the Corporation and is subject to the claims of the Corporation's creditors. Income earned on investment accounts is reinvested in the respective account.

Deferred compensation accounts become fully vested and nonforfeitable on the earlier of the end of one to five-year terms for each account or on the death or total disability of the participant.

Note 10 Malpractice Insurance

The Corporation has professional liability insurance for claim losses of $1,000,000 per claim and $3,000,000 aggregate per year for claims incurred during a policy year regardless of when claims are reported (occurrence coverage). Losses in excess of policy limits are covered through mandatory participation in the Patients' Compensation Fund of the State of Wisconsin. The professional liability insurance policy is renewable annually and is scheduled to expire on January 1, 2015, at which time management expects to renew the policy as part of its risk management procedures.

Note 11 Retirement Plans

The Corporation sponsors a defined benefit pension plan, which was frozen in 2012, that covered substantially all of its employees with one year of credited service prior to the freeze.

The plan calls for benefits to be paid to eligible employees at retirement based primarily upon years of service with the Corporation and their compensation near retirement. Contributions to the plan reflect benefits attributed to employees' services to date and also for services expected to be earned in the future.

Note 11 Retirement Plans (Continued)

The following provides further information about the plan for the years ended June 30.

	2014	2013
Change in benefit obligation		
Benefit obligation at beginning of year	$ 170,645,486	$ 181,156,397
Service cost	7,376,019	8,898,724
Interest cost	8,734,052	7,534,831
Benefits paid	(3,275,445)	(3,014,563)
Actuarial (gain) loss	14,224,723	(23,929,903)
Benefit obligation at end of year	197,704,835	170,645,486
Change in plan assets		
Fair value of plan assets at beginning of year	121,729,043	111,469,687
Actual return on plan assets	21,137,952	11,373,919
Employer contributions	20,000,000	1,900,000
Benefits paid	(3,275,445)	(3,014,563)
Fair value of plan assets at end of year	159,591,550	121,729,043
Funded status	$ (38,113,285)	$ (48,916,443)
Accumulated benefit obligation	$ 171,493,245	$ 148,459,908

Amounts recognized in the accompanying combined balance sheets consisted of the following at June 30

	2014	2013
Current liability	$ 4,863,513	$ 4,264,509
Noncurrent liability	$ 33,249,772	$ 44,651,934
Net assets		
Prior service cost	$ 30,529	$ 50,012
Net actuarial loss	56,251,311	56,061,139
Total amount recognized in net assets	$ 56,281,840	$ 56,111,151

Note 11 Retirement Plans (Continued)

Pension expense for the years ended June 30 was comprised of the following.

	2014	2013
Pension expense		
Service cost	$ 7,376,019	$ 8,898,724
Interest cost	8,734,052	7,534,831
Expected return on assets	(10,494,409)	(8,885,042)
Amortization of prior service cost	19,483	19,483
Amortization of unrecognized actuarial loss	3,391,008	6,072,102
Total pension expense	9,026,153	13,640,098
Other changes in plan assets and benefit obligations recognized in other changes in net assets:		
Net actuarial (gain) loss	190,172	(32,490,882)
Prior service cost	(19,483)	(19,483)
Total recognized in other changes in unrestricted net assets	170,689	(32,510,365)
Total recognized as pension expense and other changes in unrestricted net assets	$ 9,196,842	$(18,870,267)

The estimated net actuarial loss and prior service cost that will be amortized from net assets into pension expense over the next fiscal year are $3,169,000 and $15,000, respectively.

Note 11 Retirement Plans (Continued)

Weighted average assumptions used as of June 30, the measurement date, in developing the projected benefit obligation were as follows

	2014	2013
Discount rate for obligation	4.47 %	5.18 %
Discount rate for expense	5.18 %	4.20 %
Expected return on plan assets	8.00 %	8.00 %
Rate of compensation increase	3.50 %	3.50 %

To develop the expected long-term rate of return on asset assumptions, the Corporation considered the historical returns and future expectations for returns in each asset class, as well as targeted asset allocation percentages within the pension portfolio.

The Corporation's weighted average asset allocations at June 30 were as follows

	2014	2013
Asset category.		
Cash and cash equivalents	5.9 %	5.3 %
Fixed income	18.6	21.6
Alternative	1.8	2.5
Equity funds and securities	73.7	70.6
Totals	100.0 %	100.0 %

The Corporation's investment objectives for the plan's investments emphasize total return, that is, the aggregate return from capital appreciation and dividends and interest. The goal of the investment policy is to achieve over a five-year market cycle an absolute return of 8%, exceed the return of a balanced market index of the same style as the plan's investments, and exceed the rate of inflation by at least 4%.

Note 11 Retirement Plans (Continued)

The following table sets forth by level, within the fair value hierarchy, the Corporation's Plan assets at fair value as of June 30

	2014			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 600,562	$ 8,891,661	$ -	$ 9,492,223
Closely held securities	-	-	4,740,821	4,740,821
Corporate and foreign bonds	-	6,063,903	-	6,063,903
Exchange traded funds	25,719,785	-	-	25,719,785
Fixed income mutual funds	17,702,234	-	-	17,702,234
Alternative investments	-	-	2,929,147	2,929,147
Preferred stocks	79,564	-	-	79,564
Equity securities	86,994,987	-	-	86,994,987
U.S. Government and agency obligations	-	5,868,886	-	5,868,886
Total assets at fair value	$131,097,132	$20,824,450	$ 7,669,968	$159,591,550

	2013			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ -	$ 2,648,353	$ 3,848,063	$ 6,496,416
Closely held securities	-	-	3,862,419	3,862,419
Corporate bonds	-	15,148,249	-	15,148,249
Exchange traded funds	12,307,684	-	-	12,307,684
Foreign bonds	-	2,023,731	-	2,023,731
Alternative investments	-	-	3,042,668	3,042,668
Preferred stocks	269,592	73,516	-	343,108
Equity securities	61,115,762	8,249,076	-	69,364,838
U.S. Government and agency obligations	-	9,139,930	-	9,139,930
Total assets at fair value	$ 73,693,038	$37,282,855	$10,753,150	$121,729,043

Note 11 Retirement Plans (Continued)

The table below sets forth a summary of changes in the fair value of the Plan's level 3 assets.

	2014	2013
Balance, beginning of year	$ 10,753,150	$ 12,468,791
Net purchases and (sales) and change in fair value	(3,083,182)	(1,715,641)
Balance, end of year	$ 7,669,968	$ 10,753,150

The Corporation expects to contribute approximately $15,000,000 to the plan in fiscal 2015.

Benefit payments are expected to be paid as follows for the years ending June 30

2015	$ 4,863,513
2016	$ 5,621,706
2017	$ 6,335,799
2018	$ 7,303,121
2019	$ 8,117,630
Succeeding five years	$ 52,804,687

The Corporation also sponsors two tax-deferred 403(b) annuity plans that cover substantially all employees, and, the Corporation sponsors a matching 401(a) contribution plan that covers employees at least 21 years of age with at least one year of service, who are not participating in the defined benefit plan. The Corporation also sponsors a 457(b) Top-Hat plan for a select group of employees who meet the eligiblity requirements as defined in the plan document. Employees may contribute to the tax-deferred 403(b) annuity plans on a tax-deferred basis subject to plan and regulatory limits. The Corporation contributes to the matching 401(a) contribution plan an amount equal to 100% of employees' contributions to the matching 403(b) tax deferred annuity plan up to 3% of employees' eligible compensation and 50% of employees contributions that exceed 3% of eligible compensation but not exceeding 5% of eligible compensation. The Corporation recognized expense of $445,000 and $370,000 related to the matching 401(a) contribution plan in 2014 and 2013, respectively.

Note 12 Patient Service Revenue (Net of Contractual Allowances and Discounts)

Patient service revenue (net of contractual allowances and discounts) consisted of the following

	(In Thousands)	
	2014	2013
Gross patient service revenue	$730,956,454	$690,916,704
Deductions - Contractual allowances and discounts		
Medicare	241,325,628	221,399,568
Medicaid	83,239,893	76,241,293
Managed care and commercial	81,122,680	80,498,294
Other governmental	5,162,515	3,767,144
Uninsured patients	6,928,080	7,086,368
Patient service revenue (net of contractual allowances and discounts)	$313,177,658	$301,924,037

Patient service revenue (net of contractual allowances and discounts) from these major payor sources is as follows

	2014	2013
Medicare	$ 81,118,051	$ 83,833,136
Medicaid	25,478,219	24,101,879
Managed care and commercial	191,743,155	177,174,124
Other governmental	1,465,155	1,832,157
Uninsured patients	13,373,078	14,982,741
Patient service revenue (net of contractual allowances and discounts)	$313,177,658	$301,924,037

Medicare revenue as a percent of gross service service revenue totaled 43.3% and 43.4% in 2014 and 2013, respectively. Medicaid revenue as a percent of gross service service revenue totaled 14.6% and 14.3% in 2014 and 2013, respectively.

Note 13 Self-Insurance

The Corporation maintains self-insurance programs covering workers' compensation and unemployment claims and employee hospital, medical, and short-term disability benefits. Provisions for self-insurance claims and benefits are accrued as accidents or medical treatments occur based upon the Corporation's estimate of the aggregate exposure on claims or potential claims. The Corporation's expenses associated with the health plan were approximately $11,653,000 and $12,105,000 for 2014 and 2013, respectively. A liability of approximately $2,714,000 and $2,516,000 for claims outstanding at June 30, 2014 and 2013, respectively, has been recorded in accrued salaries, wages, and payroll taxes in the accompanying combined balance sheets. Management believes this liability is sufficient to cover estimated claims, including claims incurred but not yet reported.

Note 14 Leases

The Corporation has entered into various operating lease agreements for land, buildings, and equipment with unrelated parties. Minimum future rental payments under these lease agreements consisted of the following at June 30, 2014.

2015	$ 460,785
2016	267,265
2017	263,227
2018	38,952
Total minimum lease payments	$ 1,030,229

Total lease expense was approximately $1,364,000 and $1,434,000 in 2014 and 2013, respectively.

Note 14 Leases (Continued)

The Corporation is the lessor of certain facilities and hospital space under noncancelable lease agreements which expire in various years through 2018. These leases are accounted for as operating leases. The Corporation recorded approximately $1,055,000 and $1,010,000 in rental income for the leases in 2014 and 2013, respectively, which is included in other operating income in the accompanying combined statements of operations. Minimum future rentals to be received on noncancelable leases with remaining terms of more than one year consisted of the following at June 30, 2014.

2015	$ 553,103
2016	509,321
2017	243,482
2018	105,275
2019	15,734
Total	$ 1,426,915

Note 15 Concentration of Credit Risk

Financial instruments that potentially subject the Corporation to possible credit risk consist principally of accounts receivable and cash deposits in excess of insured limits.

Accounts receivable consist of amounts due from patients, their insurers, or governmental agencies (primarily Medicare and Medicaid) for health care provided to the patients.

The mix of receivables from patients and third-party payors was as follows at June 30.

	2014	2013
Medicare	31 %	29 %
Medicaid	9	9
Other third-party payors	26	23
Patients	34	39
Totals	100 %	100 %

Note 15 Concentration of Credit Risk (Continued)

The Corporation maintains depository relationships with area financial institutions that are Federal Deposit Insurance Corporation (FDIC) insured institutions. The Corporation maintains cash in accounts at these institutions which are insured by the FDIC up to $250,000. At June 30, 2014, the Corporation's deposits exceeded the insured limits by approximately $66,991,000.

Note 16 Functional Expenses

The Corporation provides general health care services to residents within its geographic location. Expenses related to providing these services consisted of the following.

	2014	2013
Health care services	$ 225,302,706	$ 224,220,816
General and administrative	47,935,380	41,938,950
Total expenses	$ 273,238,086	$ 266,159,766

Supplementary Information

WIPFLi LLP

Independent Auditor's Report on Supplementary Information

Board of Directors
UHS, Inc.
Kenosha, Wisconsin

We have audited the combined financial statements of UHS, Inc. and Affiliates as of and for the years ended June 30, 2014 and 2013, and our report thereon dated October 13, 2014, which expressed an unmodified opinion on those combined financial statements, appears on pages 1-2. Our audits were conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The supplementary information appearing on pages 40 through 49 is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly presented in all material respects in relation to the combined financial statements taken as a whole.

Wipfli LLP

Wipfli LLP

October 13, 2014
Milwaukee, Wisconsin

UHS, Inc. and Affiliates

Combining Balance Sheet

June 30, 2014

Assets	United Hospital System, Inc.	St. Catherine's Hospital, Inc.	Eliminations	Combined Total
Current assets				
Cash and cash equivalents	$ 98,339,468	$ 5,556,679	$ -	$ 103,896,147
Patient accounts receivable - Net	43,716,840	-	-	43,716,840
Receivable from affiliate	31,989,083	-	(31,989,083)	-
Inventory	4,041,410	-	-	4,041,410
Investments	15,324,672	-	-	15,324,672
Prepaid expenses and other	4,069,221	15,300	-	4,084,521
Total current assets	197,480,694	5,571,979	(31,989,083)	171,063,590
Assets limited as to use	86,198,734	-	-	86,198,734
Property and equipment - Net	83,285,909	121,785,471	-	205,071,380
TOTAL ASSETS	$ 366,965,337	$ 127,357,450	$ (31,989,083)	$ 462,333,704

Liabilities and Net Assets	United Hospital System, Inc.	St. Catherine's Hospital, Inc.	Eliminations	Combined Total
Current liabilities				
Accounts payable.				
Trade	$ 3,742,521	$ -	$ -	$ 3,742,521
Construction	737,136	177,793	-	914,929
Payable to affiliate	-	31,989,083	(31,989,083)	-
Accrued salaries, wages, and payroll taxes	17,526,155	-	-	17,526,155
Other accrued expenses	6,249,773	-	-	6,249,773
Amounts payable to third-party reimbursement programs	4,778,202	-	-	4,778,202
Total current liabilities	33,033,787	32,166,876	(31,989,083)	33,211,580
Deferred compensation	13,881,997	-	-	13,881,997
Pension liability	33,249,772	-	-	33,249,772
Total liabilities	80,165,556	32,166,876	(31,989,083)	80,343,349
Net assets				
Unrestricted	284,761,957	95,190,574	-	379,952,531
Temporarily restricted	520,176	-	-	520,176
Permanently restricted	1,517,648	-	-	1,517,648
Total net assets	286,799,781	95,190,574	-	381,990,355
TOTAL LIABILITIES AND NET ASSETS	$ 366,965,337	$ 127,357,450	$ (31,989,083)	$ 462,333,704

UHS, Inc. and Affiliates

Combining Balance Sheet

June 30, 2013

Assets	United Hospital System, Inc.	St. Catherine's Hospital, Inc.	Eliminations	Combined Total
Current assets.				
Cash and cash equivalents	$ 71,107,557	$ 6,021,841	$ -	$ 77,129,398
Patient accounts receivable - Net	35,183,455	-	-	35,183,455
Receivable from affiliate	49,526,970	-	(49,526,970)	-
Inventory	4,162,748	-	-	4,162,748
Investments	2,168,394	-	-	2,168,394
Prepaid expenses and other	4,086,869	15,300	-	4,102,169
Amounts payable to third-party	68,097	-	-	68,097
Total current assets	166,304,090	6,037,141	(49,526,970)	122,814,261
Assets limited as to use	94,337,859	-	-	94,337,859
Property and equipment - Net	83,126,771	129,025,703	-	212,152,474
TOTAL ASSETS	$ 343,768,720	$ 135,062,844	$ (49,526,970)	$ 429,304,594

Liabilities and Net Assets	United Hospital System, Inc.	St. Catherine's Hospital, Inc.	Eliminations	Combined Total
Current liabilities.				
Accounts payable				
Trade	$ 4,384,934	$ -	$ -	$ 4,384,934
Construction	941,936	-	-	941,936
Payable to affiliate	-	49,526,970	(49,526,970)	-
Accrued salaries, wages, and payroll taxes	17,567,081	-	-	17,567,081
Other accrued expenses	5,915,159	-	-	5,915,159
Total current liabilities	28,809,110	49,526,970	(49,526,970)	28,809,110
Deferred compensation	10,908,216	-	-	10,908,216
Pension liability	44,651,934	-	-	44,651,934
Total liabilities	84,369,260	49,526,970	(49,526,970)	84,369,260
Net assets				
Unrestricted	257,368,904	85,535,874	-	342,904,778
Temporarily restricted	513,136	-	-	513,136
Permanently restricted	1,517,420	-	-	1,517,420
Total net assets	259,399,460	85,535,874	-	344,935,334
TOTAL LIABILITIES AND NET ASSETS	$ 343,768,720	$ 135,062,844	$ (49,526,970)	$ 429,304,594

UHS, Inc. and Affiliates

Combining Statement of Operations

Year Ended June 30, 2014

	United Hospital System, Inc.	St. Catherine's Hospital, Inc.	Eliminations	Combined Total
Revenue.				
Patient service revenue (net of contractual allowances and discounts)	$ 313,177,658	$ -	$ -	$ 313,177,658
Provision for bad debts	(20,397,582)	-	-	(20,397,582)
Net patient service revenue, less provision for bad debts	292,780,076	-	-	292,780,076
Other operating revenue	8,516,622	4,672,555	(4,656,800)	8,532,377
Total revenue	301,296,698	4,672,555	(4,656,800)	301,312,453
Expenses				
Salaries and wages	116,266,535	-	-	116,266,535
Employee benefits and payroll taxes	31,658,603	-	-	31,658,603
Supplies	53,196,654	-	-	53,196,654
Other	53,356,782	358,250	(4,656,800)	49,058,232
Depreciation	15,180,736	7,877,326	-	23,058,062
Total expenses	269,659,310	8,235,576	(4,656,800)	273,238,086
Income (loss) from operations	31,637,388	(3,563,021)	-	28,074,367
Nonoperating gains				
Investment return in excess of amounts designated for current operations	11,174,321	-	-	11,174,321
Other - Net	41,198	6,634	-	47,832
Excess (deficiency) of revenue over expenses before revenue sharing with affiliate	42,852,907	(3,556,387)	-	39,296,520
Revenue sharing with affiliate	(13,211,087)	13,211,087	-	-
Excess of revenue over expenses	29,641,820	9,654,700	-	39,296,520
Other changes in unrestricted net assets				
Change in net unrealized gains and losses on investments other than trading securities	(2,089,868)	-	-	(2,089,868)
Net assets released from restrictions	11,790	-	-	11,790
Change in pension obligation other than pension expense	(170,689)	-	-	(170,689)
Change in unrestricted net assets	$ 27,393,053	$ 9,654,700	$ -	$ 37,047,753

UHS, Inc. and Affiliates

Combining Statement of Operations

Year Ended June 30, 2013

	United Hospital System, Inc.	St. Catherine's Hospital, Inc.	Eliminations	Combined Total
Revenue.				
Patient service revenue (net of contractual allowances and discounts)	$ 301,924,037	$ -	$ -	$ 301,924,037
Provision for bad debts	(22,674,994)	-	-	(22,674,994)
Net patient service revenue, less provision for bad debts	279,249,043	-	-	279,249,043
Other operating revenue	7,900,712	4,693,716	(4,656,800)	7,937,628
Total revenue	287,149,755	4,693,716	(4,656,800)	287,186,671
Expenses				
Salaries and wages	115,093,469	-	-	115,093,469
Employee benefits and payroll taxes	36,383,538	-	-	36,383,538
Supplies	46,001,728	-	-	46,001,728
Other	49,793,142	356,645	(4,656,800)	45,492,987
Interest	348,994	-	-	348,994
Depreciation	15,217,924	7,621,126	-	22,839,050
Total expenses	262,838,795	7,977,771	(4,656,800)	266,159,766
Income (loss) from operations	24,310,960	(3,284,055)	-	21,026,905
Nonoperating gains.				
Investment return in excess of amounts designated for current operations	2,804,347	-	-	2,804,347
Other - Net	153,768	6,060	-	159,828
Excess (deficiency) of revenue over expenses before revenue sharing with affiliate	27,269,075	(3,277,995)	-	23,991,080
Revenue sharing with affiliate	(9,174,350)	9,174,350	-	-
Excess of revenue over expenses	18,094,725	5,896,355	-	23,991,080
Other changes in unrestricted net assets.				
Change in net unrealized gains and losses on investments other than trading securities	3,976,066	-	-	3,976,066
Net assets released from restrictions	9,075	-	-	9,075
Change in pension obligation other than pension expense	32,510,365	-	-	32,510,365
Change in unrestricted net assets	$ 54,590,231	$ 5,896,355	$ -	$ 60,486,586

See Independent Auditor's Report on Supplementary Information.

UHS, Inc. and Affiliates

Combining Statement of Changes in Net Assets

Year Ended June 30, 2014

	United Hospital System, Inc.	St. Catherine's Hospital, Inc.	Eliminations	Combined Total
Unrestricted net assets				
Excess of revenue over expenses	$ 29,641,820	$ 9,654,700	$ -	$ 39,296,520
Other changes in unrestricted net assets				
Change in net unrealized gains and losses on investments other than trading securities	(2,089,868)	-	-	(2,089,868)
Net assets released from restrictions	11,790	-	-	11,790
Change in pension obligation other than pension expense	(170,689)	-	-	(170,689)
Increase in unrestricted net assets	27,393,053	9,654,700	-	37,047,753
Temporarily restricted net assets				
Contributions and earnings	18,830	-	-	18,830
Net assets released from restrictions	(11,790)	-	-	(11,790)
Increase in temporarily restricted net assets	7,040	-	-	7,040
Increase in permanently restricted net assets - Contributions and earnings (losses)	228	-	-	228
Change in net assets	27,400,321	9,654,700	-	37,055,021
Net assets at beginning	259,399,460	85,535,874	-	344,935,334
Net assets at end	$ 286,799,781	$ 95,190,574	$ -	$ 381,990,355

See Independent Auditor's Report on Supplementary Information.

UHS, Inc. and Affiliates

Combining Statement of Changes in Net Assets

Year Ended June 30, 2013

	United Hospital System, Inc.	St. Catherine's Hospital, Inc.	Eliminations	Combined Total
Unrestricted net assets				
Excess of revenue over expenses	$ 18,094,725	$ 5,896,355	$ -	$ 23,991,080
Other changes in unrestricted net assets				
Change in net unrealized gains and losses on investments other than trading securities	3,976,066	-	-	3,976,066
Net assets released from restrictions	9,075	-	-	9,075
Change in pension obligation other than pension expense	32,510,365	-	-	32,510,365
Increase in unrestricted net assets	54,590,231	5,896,355	-	60,486,586
Temporarily restricted net assets				
Contributions and earnings (losses)	2,053	-	-	2,053
Net assets released from restrictions	(9,075)	-	-	(9,075)
Decrease in temporarily restricted net assets	(7,022)	-	-	(7,022)
Contributions and earnings (losses)	(1,564)	-	-	(1,564)
Change in net assets	54,581,645	5,896,355	-	60,478,000
Net assets at beginning	204,817,815	79,639,519	-	284,457,334
Net assets at end	$ 259,399,460	$ 85,535,874	$ -	$ 344,935,334

See Independent Auditor's Report on Supplementary Information.

UHS, Inc. and Affiliates

Combining Statement of Cash Flows

Year Ended June 30, 2014

	United Hospital System, Inc.	St. Catherine's Hospital, Inc.	Eliminations	Combined Total
Increase (decrease) in cash and cash equivalents				
Cash flows from operating activities				
Change in net assets	$ 27,400,321	$ 9,654,700	$ -	$ 37,055,021
Adjustments to reconcile change in net assets to net cash provided by operating activities				
Depreciation	15,180,736	7,877,326	-	23,058,062
Provision for bad debts	20,397,582	-	-	20,397,582
Change in pension obligation other than pension expense	170,689	-	-	170,689
Loss from disposal of property and equipment	13,073	-	-	13,073
Change in net unrealized gains and losses on investments other than trading securities	2,089,868	-	-	2,089,868
Net realized gain on sale of marketable securities	(10,137,512)	-	-	(10,137,512)
Changes in operating assets and liabilities				
Patient accounts receivable	(28,930,967)	-	-	(28,930,967)
Inventory	121,338	-	-	121,338
Receivable/payable to affiliate - Net	17,537,887	(17,537,887)	-	-
Prepaid expenses and other	17,648	-	-	17,648
Accounts payable	(642,413)	-	-	(642,413)
Accrued expenses	293,688	-	-	293,688
Amounts receivable from/payable to third-party reimbursement programs	4,846,299	-	-	4,846,299
Other liabilities	(8,599,070)	-	-	(8,599,070)
Net cash provided by (used in) operating activities	39,759,167	(5,861)	-	39,753,306

UHS, Inc. and Affiliates

Combining Statement of Cash Flows (Continued)

Year Ended June 30, 2014

	United Hospital System, Inc.	St. Catherine's Hospital, Inc.	Eliminations	Combined Total
Cash flows from investing activities				
Net purchases of investments and assets limited as to use	$ 3,030,491	$ -	$ -	$ 3,030,491
Capital expenditures	(15,694,247)	(459,301)	-	(16,153,548)
Proceeds from disposal of property and equipment	136,500	-	-	136,500
Net cash used in investing activities	(12,527,256)	(459,301)	-	(12,986,557)
Net increase (decrease) in cash and cash equivalents	27,231,911	(465,162)	-	26,766,749
Cash and cash equivalents at beginning	71,107,557	6,021,841	-	77,129,398
Cash and cash equivalents at end	$ 98,339,468	$ 5,556,679	$ -	$ 103,896,147
Noncash financing activities:				
Capital expenditures in accounts payable	$ 737,136	$ 177,793	$ -	$ 914,929

UHS, Inc. and Affiliates

Combining Statement of Cash Flows

Year Ended June 30, 2013

	United Hospital System, Inc.	St. Catherine's Hospital, Inc.	Eliminations	Combined Total
Increase (decrease) in cash and cash equivalents				
Cash flows from operating activities				
Change in net assets	$ 54,581,645	$ 5,896,355	$ -	$ 60,478,000
Adjustments to reconcile change in net assets to net cash provided by operating activities				
Depreciation	15,217,924	7,621,126	-	22,839,050
Provision for bad debts	22,674,994	-	-	22,674,994
Change in pension obligation other than pension expense	(32,510,365)	-	-	(32,510,365)
Gain from disposal of property and equipment	(31,253)	-	-	(31,253)
Change in net unrealized gains and losses on investments other than trading securities	(3,976,066)	-	-	(3,976,066)
Net realized gain on sale of marketable securities	(1,498,108)	-	-	(1,498,108)
Changes in operating assets and liabilities				
Patient accounts receivable	(21,619,327)	-	-	(21,619,327)
Inventory	50,362	-	-	50,362
Receivable/payable to affiliate - Net	13,831,150	(13,831,150)	-	-
Prepaid expenses and other	125,488	4,863	-	130,351
Accounts payable	806,431	(33,910)	-	772,521
Accrued expenses	1,293,545	-	-	1,293,545
Amounts receivable from/payable to	(2,142,845)	-	-	(2,142,845)
Other liabilities	13,979,279	-	-	13,979,279
Net cash provided by (used in) operating activities	60,782,854	(342,716)	-	60,440,138

UHS, Inc. and Affiliates

Combining Statement of Cash Flows (Continued)

Year Ended June 30, 2013

	Hospital System, Inc.	St. Catherine's Hospital, Inc.	Eliminations	Combined Total
Cash flows from investing activities				
Net purchases of investments and assets limited as to use	$ (9,245,857)	$ -	$ -	$ (9,245,857)
Capital expenditures	(11,921,881)	(447,205)	-	(12,369,086)
Proceeds from disposal of property and equipment	51,750	-	-	51,750
Net cash used in investing activities	(21,115,988)	(447,205)	-	(21,563,193)
Net cash used in financing activities -				
Principal payments on long-term debt	(16,378,570)	-	-	(16,378,570)
Net increase (decrease) in cash and cash equivalents	23,288,296	(789,921)	-	22,498,375
Cash and cash equivalents at beginning	47,819,261	6,811,762	-	54,631,023
Cash and cash equivalents at end	$ 71,107,557	$ 6,021,841	$ -	$ 77,129,398
Supplemental cash flow information:				
Cash paid for interest	$ 348,994	$ -	$ -	$ 348,994
Noncash financing activities:				
Capital expenditures in accounts payable	$ 941,936	$ -	$ -	$ 941,936

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