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
SAINT ELIZABETH FOUNDATION

Doing Business As
NEBRASKA HEART FOUNDATION

Number and street (or P O box if mail is not delivered to street address) | Room/suite
555 S 70TH STREET

City or town, state or province, country, and ZIP or foreign postal code
LINCOLN, NE 68510

D Employer identification number
47-0625523

E Telephone number
(402) 219-8000

G Gross receipts $ 1,822,359

F Name and address of principal officer
CLIFF ROBERTSON CEO CHI HEALTH
12809 West Dodge Road
Omaha, NE 68154

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 CHIHEALTHSTELIZABETH COM

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1980 | **M** State of legal domicile NE

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
SAINT ELIZABETH FOUNDATION RAISES FUNDS TO PROMOTE EXCELLENT, COMPASSIONATE, AND SPIRITUAL CARE WITHIN CHI NEBRASKA, A RELATED ORGANIZATION, AND THE COMMUNITIES THE HEALTH SYSTEM SERVES

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	15
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	13
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	0
6	Total number of volunteers (estimate if necessary)	6	67
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	-327
b	Net unrelated business taxable income from Form 990-T, line 34	7b	-327

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	1,623,301	1,304,079
	9	Program service revenue (Part VIII, line 2g)	0	0
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	313,339	226,653
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	135,283	138,743
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	2,071,923	1,669,475
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,237,772	2,855,396
	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)	0	0
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶380,140		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	687,811	694,767
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	1,925,583	3,550,163
	19	Revenue less expenses Subtract line 18 from line 12	146,340	-1,880,688
Net Assets or Fund Balances			**Beginning of Current Year**	**End of Year**
	20	Total assets (Part X, line 16)	7,145,491	7,903,425
	21	Total liabilities (Part X, line 26)	236,870	2,230,834
	22	Net assets or fund balances Subtract line 21 from line 20	6,908,621	5,672,591

Part II Signature Block

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

Sign Here

Signature of officer | Date 2015-05-13

JEANETTE WOJTALEWICZ CFO, CHI HEALTH
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Angela Lea				P01051055

Firm's name ▶ CATHOLIC HEALTH INITIATIVES | Firm's EIN ▶ 47-0617373

Firm's address ▶ 198 INVERNESS DRIVE WEST
ENGLEWOOD, CO 80112 | Phone no (303) 298-9100

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

SEE SCHEDULE O

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 $ 2,958,739 including grants of $ 2,855,396) (Revenue $)

SEE SCHEDULE O

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** ▶ 2,958,739

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	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		No
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		No
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	Yes	
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, complete Schedule L, Part II*	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	33		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		No
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b		No
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	4			
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	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	0			
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		
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a		No
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O*			3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		No
b	If "Yes," enter the name of the foreign country ▶ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?			6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b				
c	Enter the amount of reserves on hand	13c				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*			14b		

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . . .	1a	15		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent . . .	1b	13		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . .	2			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	3			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . .	4			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	5			No
6	Did the organization have members or stockholders? . . .	6		Yes	
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		Yes	
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		Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body? . . .	8a		Yes	
b	Each committee with authority to act on behalf of the governing body? . . .	8b		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O* . . .	9			No

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

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

Section C. Disclosure

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

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

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

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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization
▶Jeanette Wojtalewicz 12809 W Dodge Road
Omaha, NE 68154 (402) 343-4671

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: Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(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
(1) ALAN SLATTERY BOARD CHAIR	1 00 0	X		X				0	0	0
(2) CONNIE JENSEN BOARD SECRETARY	1 00 0	X		X				0	0	0
(3) DONNA HAMMACK Board Member & CHIEF DEVELOPMENT OFFICER	50 00 1 00	X		X				0	164,998	33,935
(4) GREGORY HEIDRICK BOARD VICE CHAIR	1 00 12 00	X		X				0	0	0
(5) KIM MOORE Board Member/PRESIDENT SERMC	2 00 58 00	X		X				0	411,375	77,918
(6) AMY HARRIS BOARD MEMBER	1 00 0	X						0	0	0
(7) DAVID SCHMIDT MD Board Member	1 00 0	X						0	0	0
(8) DEONNE BRUNING BOARD MEMBER	1 00 0	X						0	0	0
(9) GRACE LARSON BOARD MEMBER	1 00 0	X						0	0	0
(10) JILL JENSEN BOARD MEMBER	1 00 0	X						0	0	0
(11) LARRY BIRD BOARD MEMBER	1 00 0	X						0	0	0
(12) LG SEARCEY Board Member	1 00 0	X						0	0	0
(13) LORRAINE PALLESEN BOARD MEMBER	1 00 0	X						0	0	0
(14) LOUISE SCHLEICH BOARD MEMBER	1 00 0	X						0	0	0
(15) SAMUEL BRYANT BOARD MEMBER	1 00 0	X						0	0	0
(16) STEPHEN BURT BOARD MEMBER	1 00 0	X						0	0	0
(17) CLIFF ROBERTSON CEO CHI Health	1 00 59 00			X				0	761,591	100,446

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: Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(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
(18) DOUGLAS KUCERA VP of Finance	2 00 58 00			X				0	268,446	37,039
(19) ROBERT LANIK CHI NE President/CEO	1 00 66 00			X				0	1,314,093	48,200
(20) JEANETTE WOJTALEWICZ FORMER VP FINANCE/CFO, SERMC	0 00 60 00						X	0	499,985	59,878

		(D)	(E)	(F)
1b	**Sub-Total** ▶			
c	**Total from continuation sheets to Part VII, Section A** ▶			
d	**Total (add lines 1b and 1c)** ▶	0	3,420,488	357,415

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 ▶0

			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**	Yes	
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

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 ▶0

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 30,443				
	d	Related organizations . . .	1d 203,976				
	e	Government grants (contributions)	1e 160,414				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f 909,246				
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . ▶		1,304,079			
Program Service Revenue			Business Code				
	2a			0			
	b			0			
	c			0			
	d			0			
	e			0			
	f	All other program service revenue		0	0	0	0
	g	**Total.** Add lines 2a–2f . . . . ▶		0			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . ▶		142,224		-327	142,551
	4	Income from investment of tax-exempt bond proceeds . . ▶		0			
	5	Royalties . . . . ▶		0			
			(i) Real / (ii) Personal				
	6a	Gross rents					
	b	Less rental expenses					
	c	Rental income or (loss)	0 / 0				
	d	Net rental income or (loss) . . . . ▶		0			
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	84,429 /				
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)	84,429 / 0				
	d	Net gain or (loss) . . . . ▶		84,429			84,429
	8a	Gross income from fundraising events (not including $ 30,443 of contributions reported on line 1c) See Part IV, line 18 . .	a 12,267				
	b	Less direct expenses . . .	b 1,000				
	c	Net income or (loss) from fundraising events . . ▶		11,267			11,267
	9a	Gross income from gaming activities See Part IV, line 19 . . .	a				
	b	Less direct expenses . . .	b				
	c	Net income or (loss) from gaming activities . . ▶		0			
	10a	Gross sales of inventory, less returns and allowances .	a 278,244				
	b	Less cost of goods sold . .	b 151,884				
	c	Net income or (loss) from sales of inventory . . ▶		126,360			126,360
		Miscellaneous Revenue	Business Code				
	11a	AUXILIARY DUES		1,116			1,116
	b			0			
	c			0			
	d	All other revenue		0	0	0	0
	e	**Total.** Add lines 11a–11d . . . . ▶		1,116			
	12	**Total revenue.** See Instructions . . . . . ▶		1,669,475	0	-327	365,723

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	2,855,396	2,855,396		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	0			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	0	0	0	0
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	0			
9 Other employee benefits	0	0	0	0
10 Payroll taxes	0	0	0	0
11 Fees for services (non-employees)				
a Management	0			
b Legal	2,004		2,004	
c Accounting	0			
d Lobbying	0			
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	0			
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	593,630	103,243	153,584	336,803
12 Advertising and promotion	4,000			4,000
13 Office expenses	31,730		18,265	13,465
14 Information technology	4,140		4,140	
15 Royalties . .	0			
16 Occupancy	0			
17 Travel	6,552		5,469	1,083
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	2,074		783	1,291
20 Interest	0			
21 Payments to affiliates	18,720		18,720	
22 Depreciation, depletion, and amortization	0			
23 Insurance	4,536		4,536	
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 MISCELLANEOUS EXPENSES	24,176		1,388	22,788
b EDUCATION	1,110	100	1,010	
c DUES & SUBSCRIPTIONS	2,095		1,385	710
d				
e All other expenses	0	0	0	0
25 **Total functional expenses.** Add lines 1 through 24e	3,550,163	2,958,739	211,284	380,140
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)	0			

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		1,000	1	1,800
	2	Savings and temporary cash investments		238,609	2	234,863
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		121,175	4	0
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		97,737	8	94,758
	9	Prepaid expenses and deferred charges			9	
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 54,805			
	b	Less accumulated depreciation	10b 22,671	32,134	10c	32,134
	11	Investments—publicly traded securities		0	11	
	12	Investments—other securities See Part IV, line 11		6,332,995	12	7,521,125
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		321,841	15	18,745
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		7,145,491	16	7,903,425
Liabilities	17	Accounts payable and accrued expenses		2,805	17	287,909
	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		0	22	0
	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		234,065	25	1,942,925
	26	**Total liabilities.** Add lines 17 through 25		236,870	26	2,230,834
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		3,521,463	27	3,446,513
	28	Temporarily restricted net assets		3,122,567	28	1,917,885
	29	Permanently restricted net assets		264,591	29	308,193
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		6,908,621	33	5,672,591
	34	Total liabilities and net assets/fund balances		7,145,491	34	7,903,425

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	1,669,475
2	Total expenses (must equal Part IX, column (A), line 25)	2	3,550,163
3	Revenue less expenses Subtract line 2 from line 1	3	-1,880,688
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	6,908,621
5	Net unrealized gains (losses) on investments	5	644,658
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	0
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	5,672,591

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	Yes	
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	Yes	

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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
SAINT ELIZABETH FOUNDATION

Employer identification number
47-0625523

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 ")	1,426,010	1,663,683	1,501,171	1,623,301	1,304,079	7,518,244
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
3 The value of services or facilities furnished by a governmental unit to the organization without charge						0
4 **Total.** Add lines 1 through 3	1,426,010	1,663,683	1,501,171	1,623,301	1,304,079	7,518,244
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)						2,917,014
6 **Public support.** Subtract line 5 from line 4						4,601,230

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	1,426,010	1,663,683	1,501,171	1,623,301	1,304,079	7,518,244
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	164,097	141,711	159,286	156,118	142,224	763,436
9 Net income from unrelated business activities, whether or not the business is regularly carried on	22	600	139	0	0	761
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)	29,511	48,898	27,789	39,069	13,383	158,650
11 **Total support** (Add lines 7 through 10)						8,441,091

12 Gross receipts from related activities, etc (see instructions) | 12 | 1,646,153

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 | 54 500 %

15 Public support percentage for 2012 Schedule A, Part II, line 14 | 15 | 60 800 %

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
Schedule A, Part II, Line 10, Other Income	DESCRIPTION - FUNDRAISING EVENTS, COLUMN A - 24836, COLUMN B - 42683, COLUMN C - 27473, COLUMN D - 38288, COLUMN E - 12267, COLUMN F - 145547, DESCRIPTION - MISCELLANEOUS REVENUE, COLUMN A - 4675, COLUMN B - 6215, COLUMN C - 316, COLUMN D - 781, COLUMN E - 1116, COLUMN F - 13103,

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
SAINT ELIZABETH FOUNDATION

Employer identification number
47-0625523

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

		(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	264,590	243,885	221,277	219,792	213,883
b	Contributions	43,603	20,705	22,609	1,485	5,909
c	Net investment earnings, gains, and losses	6,174	7,657	5,201		12,914
d	Grants or scholarships					
e	Other expenditures for facilities and programs	6,173	7,657	5,202		12,914
f	Administrative expenses					
g	End of year balance	308,194	264,590	243,885	221,277	219,792

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

a Board designated or quasi-endowment ▶

b Permanent endowment ▶ 100 000 %

c Temporarily restricted endowment ▶

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

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

			Yes	No
	(i) unrelated organizations	3a(i)		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		32,134		32,134
b Buildings				0
c Leasehold improvements				0
d Equipment		22,671	22,671	0
e Other				0
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				32,134

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	0	
(2) Closely-held equity interests	0	
(3) Other (A) CHI OIP - FIXED INCOME	3,387,343	F
(B) CHI OIP - EQUITY SECURITIES	3,597,545	F
(C) CHI OIP - MONEY MARKET	4,628	F
(D) ANNUITIES	531,609	F
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	7,521,125	

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
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . ▶	

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	0
INTERCOMPANY PAYABLES	1,899,385
ANNUITIES	43,487
UNCLAIMED PROPERTY	53
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	1,942,925

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	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
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	
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	

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	
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	
3	Subtract line **2e** from line **1**			3	
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			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	

Part XIII Supplemental Information

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

Return Reference	Explanation
Schedule D, Part V, Line 4, Intended uses of endowment funds	THE ENDOWMENT FUNDS ARE USED FOR SCHOLARSHIPS, MAINTANENCE OF THE WALKING PATH ADJACENT TO SAINT ELIZABETH REGIONAL MEDICAL CENTER, AND OTHER GENERAL PURPOSES
Schedule D, Part X, Line 2, FIN 48 (ASC 740) footnote	SAINT ELIZABETH FOUNDATION'S FINANCIAL INFORMATION IS INCLUDED IN THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF CATHOLIC HEALTH INITIATIVES (CHI), A RELATED ORGANIZATION CHI'S FIN 48 (ASC 740) FOOTNOTE FOR THE YEAR ENDED JUNE 30, 2014, READS AS FOLLOWS "CHI IS A TAX-EXEMPT COLORADO CORPORATION AND HAS BEEN GRANTED AN EXEMPTION FROM FEDERAL INCOME TAX UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE CHI OWNS CERTAIN TAXABLE SUBSIDIARIES AND ENGAGES IN CERTAIN ACTIVITIES THAT ARE UNRELATED TO ITS EXEMPT PURPOSE AND THEREFORE SUBJECT TO INCOME TAX MANAGEMENT REVIEWS ITS TAX POSITIONS ANNUALLY AND HAS DETERMINED THAT THERE ARE NO MATERIAL UNCERTAIN TAX POSITIONS THAT REQUIRE RECOGNITION IN THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS "

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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
SAINT ELIZABETH FOUNDATION

Employer identification number
47-0625523

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?		**(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
		Yes	**No**			
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 AUCTION (event type)	(b) Event #2 POWER OF PINK (event type)	(c) Other events (total number)	(d) Total events (add col (a) through col (c))
Revenue	1 Gross receipts	42,187	522		42,709
	2 Less Contributions	30,442			30,442
	3 Gross income (line 1 minus line 2)	11,745	522	0	12,267
Direct Expenses	4 Cash prizes				0
	5 Noncash prizes				0
	6 Rent/facility costs				0
	7 Food and beverages				0
	8 Entertainment				0
	9 Other direct expenses	1,000			1,000
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(1,000)
	11 Net income summary Subtract line 10 from line 3, column (d) ▶				11,267

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 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
SAINT ELIZABETH FOUNDATION

Employer identification number
47-0625523

Part I General Information on Grants and Assistance

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

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

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

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
(1) SAINT ELIZABETH REGIONAL MEDICAL CENTER 555 SOUTH 70TH STREET LINCOLN, NE 68510	47-0379836	501(C)(3)	2,177,943				CAPITAL EQUIPMENT
(2) SAINT ELIZABETH REGIONAL MEDICAL CENTER 555 SOUTH 70TH STREET LINCOLN, NE 68510	47-0379836	501(C)(3)	677,453				PROGRAM SUPPORT

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

3 Enter total number of other organizations listed in the line 1 table . . . . ▶ 0

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

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

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

Return Reference	**Explanation**
Schedule I, Part I, Line 2, Procedures for monitoring use of grant funds	UPON RECEIPT OF AN AWARD NOTICE, THE SAINT ELIZABETH FOUNDATION (SEF) CHIEF DEVELOPMENT OFFICER SIGNS THE AWARD AGREEMENT A COPY OF THE CONTRACT IS ENTERED INTO A DATABASE THAT MANAGES CONTRACT DEADLINES, AND A NEW FUND NUMBER IS CREATED TO KEEP THE GRANT FUNDS SEPARATE FROM ANY OTHERS SEF'S RESOURCE DEVELOPMENT COORDINATOR (RDC) ALSO SERVES AS PROJECT DIRECTOR OR PRINCIPAL INVESTIGATOR ON SOME OF THE GRANTS DUE TO THE FINANCIAL ACCOUNTING STRUCTURE OF SEF AND SAINT ELIZABETH REGIONAL MEDICAL CENTER (SERMC), FUNDS ARE SPENT BY DEPARTMENTS WITHIN THE HOSPITAL AND THEN REIMBURSED APPROPRIATELY FROM GRANT FUNDS IN THE FOUNDATION DEPARTMENT HEADS WITHIN THE HOSPITAL SUBMIT A REQUEST FOR REIMBURSEMENT FORM WITH ALL THE PERTINENT INFORMATION AND THE RDC IN THE FOUNDATION REVIEWS THEM FOR ACCURACY THE CHIEF DEVELOPMENT OFFICER THEN APPROVES THE REIMBURSEMENT THE RDC SUBMITS GRANT APPLICATIONS, RECONCILES ALL GRANT FUNDS, PROVIDES REQUIRED GRANT REPORTS TO FUNDING AGENCIES, AND CLOSES OUT GRANTS WHEN COMPLETE THESE PROCESSES ARE REVIEWED AND AUTHORIZED BY THE CHIEF DEVELOPMENT OFFICER

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
SAINT ELIZABETH FOUNDATION

Employer identification number
47-0625523

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**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	**4c**		No
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization? If "Yes," to line 5a or 5b, describe in Part III	**5b**		No
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization? If "Yes," to line 6a or 6b, describe in Part III	**6b**		No
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) DONNA HAMMACK BOARD MEMBER & CHIEF DEVELOPMENT OFFICER	(i)	0	0	0	0	0	0	0
	(ii)	156,197	3,525	5,276	20,181	13,754	198,933	0
(2) KIM MOORE BOARD MEMBER/PRESIDENT SERMC	(i)	0	0	0	0	0	0	0
	(ii)	327,350	59,472	24,553	63,438	14,480	489,293	0
(3) JEANETTE WOJTALEWICZ FORMER VP FINANCE/CFO, SERMC	(i)	0	0	0	0	0	0	0
	(ii)	426,811	51,596	21,578	39,641	20,237	559,863	0
(4) ROBERT LANIK CHI NE PRESIDENT/CEO	(i)	0	0	0	0	0	0	0
	(ii)	650,100	502,592	161,401	33,702	14,498	1,362,293	28,040
(5) DOUGLAS KUCERA VP OF FINANCE	(i)	0	0	0	0	0	0	0
	(ii)	173,838	14,753	79,855	23,502	13,537	305,485	0
(6) CLIFF ROBERTSON CEO CHI HEALTH	(i)	0	0	0	0	0	0	0
	(ii)	575,759	114,665	71,167	77,744	22,702	862,037	48,435

Part III Supplemental Information

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

Return Reference	Explanation
Schedule J, Part I, Line 3, Arrangement used to establish the top management official's compensation	COMPENSATION FOR THE TOP MANAGEMENT OFFICIAL WAS ESTABLISHED AND PAID BY FRANCISCAN HEALTH SYSTEM (FHS), A RELATED ORGANIZATION FHS USED THE FOLLOWING TO ESTABLISH THE TOP MANAGEMENT OFFICIAL'S COMPENSATION (1) COMPENSATION COMMITTEE, (2) INDEPENDENT COMPENSATION CONSULTANT, (3) WRITTEN EMPLOYMENT CONTRACTS, (4) COMPENSATION SURVEY OR STUDY, (5) APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE
Schedule J, Part I, Line 4a, Severance or change-of-control payment	POST-TERMINATION PAYMENTS ARE ADDRESSED IN EXECUTIVE EMPLOYMENT AGREEMENTS FOR CATHOLIC HEALTH INITIATIVES (CHI) AND RELATED ORGANIZATIONS' EMPLOYEES AT THE LEVEL OF VICE PRESIDENT AND ABOVE, INCLUDING SAINT ELIZABETH FOUNDATION'S CEOS THESE EMPLOYMENT AGREEMENTS REQUIRE THAT IN ORDER FOR THE EXECUTIVE TO RECEIVE POST-TERMINATION PAYMENTS, THESE INDIVIDUALS MUST EXECUTE A GENERAL RELEASE AND SETTLEMENT AGREEMENT POST-TERMINATION PAYMENT ARRANGEMENTS ARE PERIODICALLY REVIEWED FOR OVERALL REASONABLENESS IN LIGHT OF THE EXECUTIVE'S OVERALL COMPENSATION PACKAGE THE FOLLOWING REPORTABLE INDIVIDUALS RECEIVED SEVERANCE PAYMENTS FROM CATHOLIC HEALTH INITIATIVES (A RELATED ORGANIZATION) DURING THE 2013 CALENDAR YEAR, AND THESE SEVERANCE PAYMENTS WERE INCLUDED IN THE INDIVIDUAL'S W-2 INCOME AND REPORTABLE COMPENSATION ON SCHEDULE J DOUGLAS KUCERA - $35,308
Schedule J, Part I, Line 4b, Supplemental nonqualified retirement plan	DURING THE 2013 CALENDAR YEAR CATHOLIC HEALTH INITIATIVES (CHI), A RELATED ORGANIZATION, MAINTAINED A SUPPLEMENTAL NON-QUALIFIED DEFERRED COMPENSATION PLAN FOR MBO CEOS AND OTHER CHI EMPLOYEES AT THE LEVEL OF SENIOR VICE PRESIDENT AND ABOVE THE FOLLOWING REPORTABLE INDIVIDUALS WERE ELIGIBLE TO PARTICIPATE IN THAT PLAN ROBERT LANIK, KIM MOORE, AND JEANETTE WOJTALEWICZ DURING 2013 THE FOLLOWING CONTRIBUTIONS WERE MADE BY CHI TO THE DEFERRED COMPENSATION PLAN KIM MOORE $29,736 JEANETTE WOJTALEWICZ -$13,589 DURING 2013 THE FOLLOWING DISTRIBUTIONS WERE MADE BY CHI FROM THE DEFERRED COMPENSATION PLAN ROBERT LANIK - $28,040 DUE TO THE "SUPER" VESTING RULES UNDER THE CHI DEFERRED COMPENSATION PLAN, PARTICIPANTS WHO HAVE MET CERTAIN REQUIREMENTS SUCH AS TERMINATION, AGE, OR YEARS OF SERVICE ARE ELIGIBLE TO RECEIVE THEIR 2013 CONTRIBUTIONS IN CASH THESE CASH PAYOUTS ARE INCLUDED IN THE PARTICIPANT'S REPORTABLE COMPENSATION IN COLUMN (III) OTHER REPORTABLE COMPENSATION ON SCHEDULE J PART II DURING 2013, THE FOLLOWING CONTRIBUTIONS THAT WOULD HAVE BEEN MADE BY CHI TO THE DEFERRED COMPENSATION PLAN WERE PAID IN CASH ROBERT LANIK - $101,293 DURING THE CALENDAR YEAR, FRANCISCAN HEALTH SYSTEM MAINTAINED A SUPPLEMENTAL NON-QUALIFIED DEFERRED COMPENSATION PLAN FOR FRANCISCAN HEALTH SYSTEM SENIOR LEADERSHIP THE FOLLOWING REPORTABLE INDIVIDUALS WERE ELIGIBLE TO PARTICIPATE CLIFF ROBERTSON DURING 2013 THE FOLLOWING CONTRIBUTIONS WERE MADE BY FHS TO THE DEFERRED COMPENSATION PLAN CLIFF ROBERTSON - $49,142 DURING 2013 THE FOLLOWING DISTRIBUTIONS WERE MADE BY FHS FROM THE DEFERRED COMPENSATION PLAN CLIFF ROBERTSON - $48,435

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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
SAINT ELIZABETH FOUNDATION

Employer identification number
47-0625523

Return Reference	Explanation
FORM 990, PART III, LINE 1, ORGANIZATION'S MISSION	THE MISSION OF THE CORPORATION IS TO NURTURE THE HEALING MINISTRY OF THE CHURCH, SUPPORTED BY EDUCATION AND RESEARCH FIDELITY TO THE GOSPEL URGES THE CORPORATION TO EMPHASIZE HUMAN DIGNITY AND SOCIAL JUSTICE AS IT CREATES HEALTHIER COMMUNITIES THE CORPORATION, SPONSORED BY A LAY-RELIGIOUS PARTNERSHIP, CALLS OTHER CATHOLIC SPONSORS AND SYSTEMS TO UNITE TO ENSURE THE FUTURE OF CATHOLIC HEALTH CARE TO FULFILL THIS MISSION, THE CORPORATION, AS A VALUES-BASED ORGANIZATION, WILL ASSURE THE INTEGRITY OF THE MINISTRY IN BOTH CURRENT AND DEVELOPING ORGANIZATIONS AND ACTIVITIES, RESEARCH AND DEVELOP NEW MINISTRIES THAT INTEGRATE HEALTH, EDUCATION, PASTORAL, AND SOCIAL SERVICES, PROMOTE LEADERSHIP DEVELOPMENT AND FORMATION FOR MINISTRY THROUGHOUT THE ENTIRE ORGANIZATION, ADVOCATE FOR SYSTEMIC CHANGES WITH SPECIFIC CONCERN FOR PERSONS WHO ARE POOR, ALIENATED, AND UNDERSERVED, AND STEWARD RESOURCES BY GENERAL OVERSIGHT OF THE ENTIRE ORGANIZATION

Return Reference	Explanation	
	FORM 990, PART III, LINE 4, PROGRAM SERVICES ACCOMPLISHMENTS - PART I	PRIMARY EXEMPT PURPOSE THE SAINT ELIZABETH FOUNDATION WAS INCORPORATED AS A 501(C)(3), TAX EXEMPT CHARITABLE FOUNDATION ITS PURPOSE IS TO RAISE FUNDS TO PROMOTE CARE GIVING AT SAI NT ELIZABETH REGIONAL MEDICAL CENTER, PROVIDING EXCELLENT, COMPASSIONATE AND SPIRITUAL CAR E THROUGH PROGRAMS WITHIN THE HEALTH SYSTEM AND THE COMMUNITY IT SERVES THE FOUNDATION'S STAFF AND BOARD OF TRUSTEES RAISE FUNDS THROUGH SPECIAL EVENTS, ANNUAL GIVING, MAJOR GIFTS , CAPITAL CAMPAIGNS, PLANNED GIFTS AND GRANTS IN 2007, THE FOUNDATION'S PUBLIC CHARITY ST ATUS WAS CHANGED TO AN ORGANIZATION CLASSIFIED UNDER SECTION 509(A)(1) AND 170(B)(1)(A)(VI), THIS WAS MODIFIED AFTER THE PASSAGE OF THE PENSION PROTECTION ACT OF 2006(HR4) THE FOU NDATION MEETS THE PUBLIC SUPPORT TEST REQUIRED OF A PUBLIC CHARITY THIS ALLOWS THE FOUNDA TION TO RECEIVE ROLLOVER CONTRIBUTIONS AND ALSO TO RECEIVE GIFTS FROM PRIVATE FOUNDATIONS EXEMPT PURPOSE ACHIEVEMENTS INTRODUCTION THE MISSION OF THE CORPORATION AND OF CATHOLIC H EALTH INITIATIVES IS TO NURTURE THE HEALING MINISTRY OF THE ROMAN CATHOLIC CHURCH BY BRING ING IT NEW LIFE, ENERGY, AND VIABILITY IN THE 21ST CENTURY FIDELITY TO THE GOSPEL URGES U S TO EMPHASIZE HUMAN DIGNITY AND SOCIAL JUSTICE AS IT MOVES TOWARD THE CREATION OF HEALTHI ER COMMUNITIES CATHOLIC HEALTH INITIATIVES, SPONSORED BY A LAY-RELIGIOUS PARTNERSHIP, CAL LS OTHER CATHOLIC SPONSORS AND SYSTEMS TO UNITE TO ENSURE THE FUTURE OF CATHOLIC HEALTH CA RE. TO FULFILL THIS MISSION, SAINT ELIZABETH FOUNDATION AND CATHOLIC HEALTH INITIATIVES, A S VALUES-BASED ORGANIZATIONS AND IN PARTNERSHIP WITH LAITY AND OTHERS, WILL RESEARCH AND D EVELOP NEW MINISTRIES THAT INTEGRATE HEALTH, EDUCATION, PASTORAL, AND SOCIAL SERVICES, PRO MOTE LEADERSHIP DEVELOPMENT THROUGHOUT THE ENTIRE ORGANIZATION, ADVOCATE FOR SYSTEMIC CHAN GES WITH SPECIFIC CONCERN FOR PERSONS WHO ARE POOR, ALIENATED, AND UNDERSERVED, AND STEWAR D RESOURCES BY GENERAL OVERSIGHT OF THE ENTIRE ORGANIZATION THE PURPOSE OF SAINT ELIZABET H FOUNDATION IS TO RAISE FUNDS TO PROMOTE CARE GIVING AT SAINT ELIZABETH REGIONAL MEDICAL CENTER, PROVIDING EXCELLENT, COMPASSIONATE, AND SPIRITUAL CARE THROUGH PROGRAMS WITHIN THE MEDICAL CENTER AND THE COMMUNITY IT SERVES TO ENSURE GIFTS ARE ADMINISTERED IN ACCORDANC E WITH DONORS' INTENTIONS, THE SAINT ELIZABETH FOUNDATION ESTABLISHES RESTRICTED ACCOUNTS THAT ASSURE FUNDS ARE DEDICATED TO THE PURPOSE FOR WHICH THEY ARE GIVEN DURING THE LAST F ISCAL YEAR THE FOUNDATION HAS RAISED $1,304,079 IN CONTRIBUTIONS AT THE SAME TIME IT HAS DISBURSED $2,855,396 BACK INTO THE COMMUNITY AND THE SAINT ELIZABETH REGIONAL MEDICAL CENT ER CAPITAL FOR SAINT ELIZABETH REGIONAL MEDICAL CENTER SAINT ELIZABETH FOUNDATION, WITH M ONEY FROM VARIOUS DONORS, PROVIDED $2,037,466 FOR THE PURCHASE OF CAPITAL/EQUIPMENT FOR SA INT ELIZABETH REGIONAL MEDICAL CENTER, WHICH WAS DIRECTLY RELATED TO PATIENT CARE. EMERGEN CY & HARDSHIP CHARITY CARE SAINT ELIZABETH FOUNDATION CURRENTLY MAINTAINS A FUND THAT PROV IDES ASSISTANCE TO PATIENTS AFTER DISCHARGE. THERE WERE 222 PATIENTS AND FAMILIES SERVED T HIS FISCAL YEAR FOR A TOTAL OF $39,940 ASSISTANCE IS PROVIDED IN AREAS OF NON-COVERED PRE SCRIPTIONS, LODGING, MEALS, AND TRAVEL NEEDS PATIENTS MUST HAVE NO OTHER MEANS OF SUPPORT EMPLOYEE EMERGENCY FUND THE FOUNDATION MAINTAINS A FUND DESIGNATED STRICTLY TO EMERGENCY ASSISTANCE FOR EMPLOYEES OF SAINT ELIZABETH REGIONAL MEDICAL CENTER, NEBRASKA HEART, ALON G WITH OUR LINCOLN-BASED AFFILIATES ASSISTANCE CONSISTS OF HELPING WITH UTILITIES, RENT, FOOD, TRANSPORTATION, AND MEDICAL NEEDS FOR QUALIFYING EMPLOYEES THIS YEAR THE FUND WAS A BLE TO HELP 54 ASSOCIATES FOR A TOTAL OF $53,162 COMMUNITY ASTHMA EDUCATION INITIATIVE TH E COMMUNITY ASTHMA EDUCATION INITIATIVE (CAEI), COMPRISED OF 50+ LOCAL AGENCIES AND INSTIT UTIONS, WAS FORMED IN 1998, IN RESPONSE TO ALARMING STATISTICS FROM THE CENTER FOR DISEASE CONTROL, SHOWING HIGH RATES OF ASTHMA MORBIDITY AND MORTALITY IN THE MIDWEST AND NEBRASKA , IN PARTICULAR THE FOUNDATION HAS ASSISTED THE CAEI IN ACQUIRING FUNDING FROM ENVIRONMEN TAL PROTECTION AGENCY, LINCOLN/LANCASTER COUNTY HEALTH DEPARTMENT AND THE PORTER FOUNDATIO N THE FOUNDATION ASSISTS THE DIRECTOR OF PULMONARY SERVICES AND CAEI COORDINATOR TO SEE T O IT THAT OBJECTIVES AND FUNDING GUIDELINES ARE BEING MET AS REQUIRED FROM EACH GRANTOR E XPRESSIONS OF ART AND HOPE IS A CANCER SURVIVOR'S GROUP THAT MEETS MONTHLY FOR EXPERIENCES IN ART AND MUSIC THE CANCER INSTITUTE COLLABORATES WITH THE LUX CENTER FOR THE ARTS TO P ROVIDE DIFFERENT ART CLASSES IN POTTERY, PAINTING, COLLAGE AND OTHER ART FORMS FUNDS FOR THE PROGRAM ARE PROVIDED FROM THE FOUNDATION CANCER INSTITUTE FUND NEONATAL FAMILY ASSIST ANCE PROGRAM INFANTS CARED FOR IN THE NEONATAL INTENSIVE CARE UNIT USUALLY NEED A MINIMUM OF 23-WEEKS FOR THE LUNGS TO BE MATURE ENOUGH FOR SURVIVAL FULL-TERM GESTATION IS 40-WEEK S MOST BABIES STAY IN THE NICU UNTIL THEIR ORIGINAL DUE DATE. SAINT ELIZABETH REGIONAL ME DICAL CENTER ASSISTS THESE PARENTS WHO LIVE OUTSID

Return Reference	Explanation	
	FORM 990, PART III, LINE 4, PROGRAM SERVICES ACCOMPLISHMENTS - PART I	E OF LANCASTER COUNTY BY ALLOWING THEM TO STAY CLOSE TO THEIR NEWBORN THIS ALLOWS THEM TO DEVELOP THAT IMPORTANT BOND AND NURTURING RELATIONSHIP WITH THEIR CHILD RATHER THAN TRAVE LING BACK AND FORTH BETWEEN HOME AND HOSPITAL THE CHASE SUITES LOCATED WITHIN WALKING DIS TANCE FROM THE HOSPITAL HAS OFFERED A SPECIAL RATE TO FAMILIES OF PATIENTS IN FY 2014 THE FOUNDATION HELPED 7 FAMILIES MAINTAIN A CLOSE BONDING RELATIONSHIP WITH THEIR NEWEST FAMI LY MEMBER BY PROVIDING ASSISTANCE AND LODGING TOTALING $2,124

Return Reference	Explanation	
	FORM 990, PART III, LINE 4, PROGRAM SERVICES ACCOMPLISHMENTS - PART II	SAINT ELIZABETH REGIONAL MEDICAL CENTER CAR SEAT FITTING STATION SAINT ELIZABETH REGIONAL MEDICAL CENTER IS A RECOGNIZED LEADER IN PERINATAL SERVICES THE NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION (NHTSA) REPORTED THAT MOTOR VEHICLE CRASHES ARE THE LEADING CAUSE OF DEATH AMONG CHILDREN IN THE UNITED STATES EDUCATING PARENTS/CAREGIVERS ABOUT PROPER INST ALLATION AND USE ARE KEY COMPONENTS TO IMPROVING CORRECT USAGE RATES, THEREBY GREATLY REDU CING INJURIES AS A RESULT OF IMPROPER OR LACK OF USE OF CHILD PASSENGER SEATS SAINT ELIZA BETH CAR SEAT FITTING STATION IS LOCATED AT 6900 L STREET, ON THE NORTH SIDE OF THE BUILDI NG - JUST NORTH OF SAINT ELIZABETH REGIONAL MEDICAL CENTER LINCOLN ED CONNECTIONS ED CONN ECTIONS IS A COLLABORATIVE EMERGENCY DEPARTMENT CASE MANAGEMENT PROGRAM, INVOLVING BOTH SA INT ELIZABETH REGIONAL MEDICAL CENTER & BRYANLGH THE PROGRAM WAS CREATED THROUGH A GRANT FROM THE COMMUNITY HEALTH ENDOWMENT TO ASSIST PEOPLE WHO UTILIZE EMERGENCY DEPARTMENTS AS THEIR PRIMARY SOURCE OF HEALTH CARE. PATIENTS ARE ENROLLED IN ED CONNECTIONS TO HELP THEM WITH FOOD, SHELTER, MEDICATION ASSISTANCE, OR OTHER BARRIERS THEY MIGHT HAVE THAT PREVENT THEM FROM OBTAINING POSITIVE HEALTH OUTCOMES THEY ARE CONNECTED TO OTHER SERVICES IN THE COMMUNITY TO HELP THEM OVERCOME THESE BARRIERS AND HELPED ALONG A PATHWAY TO A PERMANENT M EDICAL HOME. SAINT ELIZABETH FOUNDATION SUPPORTED ED CONNECTIONS WITH $694 IN FY14 CAREER MENTORING PROGRAM SAINT ELIZABETH REGIONAL MEDICAL CENTER HAS DEVELOPED A CAREER MENTORIN G PROGRAM PROVIDING A HEALTH SCIENCES SUMMER INTERNSHIP PROGRAM AND A HEALTH OCCUPATIONS S UMMER CAMP FOR QUALIFYING LINCOLN PUBLIC AND PAROCHIAL HIGH SCHOOL STUDENTS INTERESTED IN HEALTHCARE OCCUPATIONS STUDENTS THAT SUCCESSFULLY COMPLETE THESE PROGRAMS ARE AWARDED SCH OLARSHIPS THROUGH A GIFT FROM WELLS FARGO AND OTHER DONORS, DESIGNATED TO SAINT ELIZABETH FOUNDATION'S CAREER MENTORING FUND SIX $800 SCHOLARSHIPS WERE AWARDED STUDENTS IN FISCAL YEAR 2014 KIDS WISH NETWORK SAINT ELIZABETH FOUNDATION ASSISTS THE SAINT ELIZABETH REGION AL MEDICAL CENTER WITH SECURING ITEMS FOR CHILDREN WHO ARE HERE FOR AN EXTENDED PERIOD OF TIME OR GO THROUGH DIFFICULT EXAMS WE HAVE ESTABLISHED A RELATIONSHIP WITH A SPECIAL NETW ORK FOR CHILDREN CHILDREN WHO ARE PATIENTS AT SAINT ELIZABETH REGIONAL MEDICAL CENTER BEN EFIT FROM THE PARTNERSHIP THAT HAS BEEN FORMED BETWEEN THE FOUNDATION AND THE KIDS WISH NE TWORK HERE ARE SOME OF THE WAYS THAT CHILDREN BENEFIT HERO OF THE MONTH EACH MONTH, A NU RSE, SOCIAL WORKER, OR ANYONE ACTIVELY WORKING WITH CHILDREN AGES THREE TO 18 MAY NOMINATE THEM TO BE A KIDS WISH NETWORK - HERO OF THE MONTH THIS FUND IS FOR CHILDREN BEING TREAT ED AT SAINT ELIZABETH REGIONAL MEDICAL CENTER BUT DO NOT HAVE LIFE THREATENING ILLNESSES, BUT INSTEAD ARE FACING EXTRAORDINARY EXPERIENCES RECIPIENTS RECEIVE A $100 GIFT CARD, T-S HIRT, MEDALLION MUCH LIKE THE OLYMPIC MEDAL, CERTIFICATE WITH THEIR NAME. THREE CHILDREN W ERE NOMINATED AT SAINT ELIZABETH EACH BEING AWARDED HERO OF THE MONTH SPECIAL FOUNDATION FUNDS AUXILIARY UNDER THE UMBRELLA OF SAINT ELIZABETH FOUNDATION, THE SAINT ELIZABETH AUXI LIARY CONDUCTS SUPPORTIVE ACTIVITIES, WHICH ENHANCE THE QUALITY OF CARE GIVEN TO PATIENTS, THEIR FAMILIES, ASSOCIATES, AND VOLUNTEERS THROUGH FUNDRAISING EFFORTS AND POSITIVE COMMU NITY RELATIONS THEY ALSO PROVIDED FUNDING FOR FOUR $500 SCHOLARSHIPS, INCLUDING ONE TEEN VOLUNTEER SCHOLARSHIP FUNDRAISING EVENTS INCLUDED VALENTINE, SPRING FLING, MAY DAY SALES, HOLIDAY CRAFT FAIR, BOOKS FAIR, AND THE ANNUAL LIGHTS OF LOVE EVENT, WHICH CUMULATIVELY T OTALED $34,013 FOR FISCAL YEAR 2014 NURSING ALUMNI GRADUATES OF THE SAINT ELIZABETH SCHOO L OF NURSING, WHICH CLOSED IN 1970, PROMOTED PROFESSIONALISM IN NURSING WITH FOUR SCHOLARS HIPS FOR NURSES THE FOUNDATION STAFF SUPPORTS VARIOUS ACTIVITIES OF THE NURSING ALUMNI, S UCH AS ASSISTING WITH ANNUAL EVENTS AND INCLUSION OF THEIR SCHOLARSHIPS IN THE AWARD PROCE SS THESE FOUR SCHOLARSHIPS OF $1,000 EACH WERE MADE POSSIBLE THROUGH THE INTEREST FROM TH EIR ESTABLISHED ENDOWMENT WHICH WILL CONTINUE INTO PERPETUITY SCHOLARSHIPS IN ADDITION TO THE SAINT ELIZABETH NURSES' ALUMNI SCHOLARSHIP AND THE SAINT ELIZABETH AUXILIARY SCHOLARS HIPS, SAINT ELIZABETH FOUNDATION AWARDED SEVEN $500 SCHOLARSHIPS AND ONE $1,000 SCHOLARSHI P THROUGH ENDOWMENTS AND OTHER DONOR GIFTS DESIGNATED FOR SCHOLARSHIPS TO HEALTHCARE PROFE SSIONALS GIFT SHOP THE GIFT SHOP AT SAINT ELIZABETH REGIONAL MEDICAL CENTER PROVIDES GOOD S AND SERVICES WHICH BENEFIT PATIENTS, THEIR FAMILIES, VISITORS AND STAFF OPERATING UNDER THE UMBRELLA OF THE FOUNDATION, THE GIFT SHOP PROCEEDS OF $36,948 FOR FY 2014 PROVIDE FUN DING OF PROJECTS AT SAINT ELIZABETH REGIONAL MEDICAL CENTER CAMP FOR CHILDREN WHO HAVE EX PERIENCED BURNS SAINT ELIZABETH FOUNDATION SUPPORTED KAMP KALEO - A CHILDREN'S CAMP FOR BU RN SURVIVORS AND THEIR SIBLINGS NURSES FROM THE SAINT ELIZABETH BURN UNIT PROVIDE SUPERVI SION AND TREATMENT AT CAMP IN BURWELL, NEBRASKA T

Return Reference	Explanation	
	FORM 990, PART III, LINE 4, PROGRAM SERVICES ACCOMPLISHMENTS - PART II	HE CAMP PROVIDES CHILDREN WITH SIMILAR EXPERIENCES AND OPPORTUNITY TO INTERACT, WHILE BUIL DING SELF-ESTEEM THROUGH PHY SICAL ACTIVITIES AND PERSONAL ACCOMPLISHMENTS $1,000 WAS SPEN T TO SUPPORT THE BURN CAMP IN FY 14

Return Reference	Explanation
Form 990, Part VI, Sec A, Line 1a, Delegate broad authority to a committee	PURSUANT TO SECTION 8 6 OF THE BYLAWS OF SAINT ELIZABETH FOUNDATION, THE EXECUTIVE COMMITTEE CONSISTS ONLY OF DIRECTORS OF THE CORPORATION AND IS COMPOSED OF THE CHAIRPERSON OF THE BOARD, THE VICE CHAIRPERSON OF THE BOARD, THE PRESIDENT AND CHIEF EXECUTIVE OFFICER, THE VICE PRESIDENT, THE SECRETARY, THE TREASURER, AND THE CHIEF DEVELOPMENT OFFICER, EACH OF WHOM SERVES AS AN EX OFFICIO VOTING MEMBER OF THE EXECUTIVE COMMITTEE EACH INDIVIDAL APPOINTED TO THE EXECUTIVE COMMITTEE SHALL SERVE FOR A TERM OF ONE (1) YEAR OR UNTIL HIS OR HER SUCCESSOR IS DULY APPOINTED BY THE BOARD OF DIRECTORS ANY VACANCY OF AN APPOINTED EXECUTIVE COMMITTEE MEMBERSHIP MAY BE FILLED FOR THE UNEXPIRED PORTION OF THE TERM IN THE MANNER THAT THE ORIGINAL COMMITTEE MEMBER WAS APPOINTED EXCEPT AS PROVIDED BY LAW, THE EXECUTIVE COMMITTEE HAS AND MAY EXERCISE SUCH POWERS AS MAY BE DELEGATED TO IT BY THE BOARD OF DIRECTORS ALL ACTIONS TAKEN BY THE EXECUTIVE COMMITTEE ARE PROMPTLY REPORTED TO THE BOARD OF DIRECTORS AT THE NEXT REGULAR OR ANNUAL MEETING OF THE BOARD OF DIRECTORS THE EXECUTIVE COMMITTEE SHALL MEET AT SUCH TIMES AS SHALL BE DETERMINED BY THE CHAIRPERSON THE EXECUTIVE COMMITTEE KEEPS REGULAR MINUTES OF ITS PROCEEDINGS AND REPORTS THE SAME TO THE BOARD OF DIRECTORS AT EACH REGULAR MEETING OF THE BOARD

Return Reference	Explanation
Form 990, Part VI, Sec A, Line 6, Classes of members or stockholders	PER SECTION 5 1 OF THE BYLAWS, THE SOLE MEMBER OF THE ORGANIZATION IS SAINT ELIZABETH REGIONAL MEDICAL CENTER, A NEBRASKA NONPROFIT CORPORATION

Return Reference	Explanation
Form 990, Part VI, Sec A, Line 7a, Members or stockholders electing members of governing body	THE SOLE MEMBER OF THE ORGANIZATION HAS THE POWER TO APPOINT, REPLACE, OR REMOVE THE MEMBERS OF THE BOARD OF DIRECTORS

Return Reference	Explanation
Form 990, Part VI, Sec A, Line 7b, Decisions requiring approval by members or stockholders	THE ORGANIZATION'S CORPORATE MEMBER IS SAINT ELIZABETH REGIONAL MEDICAL CENTER PURSUANT TO SECTION 5 OF THE ORGANIZATION'S BYLAWS, BOTH SAINT ELIZABETH REGIONAL MEDICAL CENTER AND CATHOLIC HEALTH INITIATIVES (CHI) (SAINT ELIZABETH REGIONAL MEDICAL CENTER'S SOLE CORPORATE MEMBER) HAVE RESERVED POWERS AS OUTLINED IN THE CHI GOVERNANCE MATRIX PURSUANT TO THE GOVERNANCE MATRIX THE FOLLOWING RIGHTS ARE HELD BY THE SAINT ELIZABETH REGIONAL MEDICAL CENTER'S BOARD OF DIRECTORS *APPROVE MEMBERS OF THE SAINT ELIZABETH FOUNDATION BOARD, *AMENDMENT OF THE CORPORATE DOCUMENTS OF SAINT ELIZABETH FOUNDATION, *APPROVE REMOVAL OF A MEMBER OF THE GOVERNING BODY OF SAINT ELIZABETH FOUNDATION, *ADOPTION OF LONG RANGE AND STRATEGIC PLANS FOR SAINT ELIZABETH FOUNDATION THE FOLLOWING RIGHTS ARE RESERVED TO THE CHI BOARD OF DIRECTORS DIRECTLY OR THROUGH POWERS DELEGATED TO THE CHI CHIEF EXECUTIVE OFFICER *SUBSTANTIAL CHANGE IN THE MISSION OR PHILOSOPHY OF SAINT ELIZABETH FOUNDATION, *REMOVAL OF A MEMBER OF THE GOVERNING BODY OF SAINT ELIZABETH FOUNDATION, *APPROVAL OF ISSUANCE OF DEBT BY SAINT ELIZABETH FOUNDATION, *APPROVAL OF PARTICIPATION OF SAINT ELIZABETH FOUNDATION IN A JOINT VENTURE, *APPROVAL OF FORMATION OF A NEW CORPORATION BY SAINT ELIZABETH FOUNDATION, *APPROVAL OF A MERGER INVOLVING SAINT ELIZABETH FOUNDATION, *APPROVAL OF THE SALE OF ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF SAINT ELIZABETH FOUNDATION, *TO REQUIRE THE TRANSFER OF ASSETS BY SAINT ELIZABETH FOUNDATION TO CHI TO ACCOMPLISH CHI'S GOALS AND OBJECTIVES, AND TO SATISFY CHI DEBTS PURSUANT TO SECTION 5 OF THE ORGANIZATION'S BYLAWS, SAINT ELIZABETH REGIONAL MEDICAL CENTER OR CHI MAY, IN EXERCISE OF THEIR APPROVAL POWERS, GRANT OR WITHHOLD APPROVAL IN WHOLE OR IN PART, OR MAY, IN ITS COMPLETE DISCRETION, AFTER CONSULTATION WITH THE BOARD AND ITS PRESIDENT AND THE CHIEF EXECUTIVE OFFICER OF THE ORGANIZATION, RECOMMEND SUCH OTHER OR DIFFERENT ACTIONS AS IT DEEMS APPROPRIATE

Return Reference	Explanation
Form 990, Part VI, Sec B, Line 11b, Review of form 990 by governing body	THE ORGANIZATION'S ACCOUNTING PERSONNEL WORK WITH THE CATHOLIC HEALTH INITIATVES (CHI) TAX DEPARTMENT TO PREPARE THE FORM 990 WHEN AVAILABLE, THE RETURNS ARE REVIEWED BY THE DIRECTOR OF FINANCE, CFO, AND FOUNDATION CHIEF DEVELOPMENT OFFICER, AND ANY NECESSARY REVISIONS ARE INCLUDED IN THE FINAL VERSION THE FINAL VERSION IS THEN PROVIDED TO THE BOARD PRIOR TO THE BOARD MEETING DATE SUBSEQUENTLY, THE TAX DEPARTMENT FILES THE RETURN WITH THE APPROPRIATE FEDERAL AGENCIES, MAKING ANY NON-SUBSTANTIVE CHANGES NECESSARY TO EFFECT E-FILING ANY SUCH CHANGES ARE NOT RE-SUBMITTED TO THE BOARD

Return Reference	Explanation
Form 990, Part VI, Sec B, Line 12c, Conflict of interest policy	ALL BOARD MEMBERS ARE REQUIRED TO COMPLETE AN ANNUAL CONFLICT OF INTEREST DISCLOSURE STATEMENT IN ADDITION, ANY BOARD MEMBER WITH A CONFLICT IS REQUIRED TO DECLARE THE CONFLICT BEFORE THE BEGINNING OF EACH BOARD OR COMMITTEE MEETING THE ENTIRE BOARD OR COMMITTEE DETERMINES WHETHER THE AFFECTED BOARD MEMBER SHOULD BE EXCLUDED FROM THE MEETING DUE TO THE DISCLOSED CONFLICT

Return Reference	Explanation
FORM 990, PART VI, LINE 15A, PROCESS FOR DETERMINING CEO COMPENSATION	THE ORGANIZATION'S TOP MANAGEMENT OFFICIAL'S COMPENSATION IS PAID BY FRANCISCAN HEALTH SYSTEM (FHS), A RELATED ORGANIZATION FHS USES AN EXTERNAL COMPENSATION FIRM WHO UTILIZES ACTUAL MARKET DATA COMPENSATION FROM SIMILAR INSTITUTIONS WITH COMPARABLE POSITIONS AND COMPENSATION LEVELS AND CONSIDERING THE ORGANIZATION'S GEOGRAPHIC LOCATION THE EXECUTIVE COMMITTEE OF THE BOARD ANNUALLY EVALUATES AND APPROVES THE EXECUTIVE COMPENSATION ARRANGEMENT FOR EACH EXECUTIVE FOR FAIR MARKET VALUE ALONG WITH OTHER APPLICABLE FACTORS RELIED ON BY THE BOARD'S DETERMINATION THE SUPPORTING DOCUMENTATION BECOMES PART OF THE MINUTES OF THE MEETING THIS PROCESS IS COMPLETED YEARLY

Return Reference	Explanation
FORM 990, PART VI, LINE 15B, PROCESS FOR DETERMINING COMPENSATION	DURING THE TAX YEAR ENDED 6/30/2014, NO OFFICERS, DIRECTORS OR TRUSTEES RECEIVED COMPENSATION FROM THE ORGANIZATION ANY EXECUTIVE COMPENSATION PAID TO OFFICERS, DIRECTORS OR TRUSTEES BY RELATED ORGANIZATIONS WAS SET BY THE RELATED ORGANIZATION'S COMPENSATION COMMITTEE UTILIZING BOTH AN INDEPENDENT CONSULTANT AND COMPARABILITY STUDIES TO DETERMINE COMPENSATION THEREFORE, THESE QUESTIONS ARE MORE APPROPRIATELY ANSWERED AS N/A, BUT HAVE BEEN ANSWERED "NO" IN ACCORDANCE WITH THE FORM 990 INSTRUCTIONS

Return Reference	Explanation
Form 990, Part VI, Sec C, Line 19, Required documents available to the public	THE ORGANIZATION'S GOVERNING DOCUMENTS ARE AVAILABLE ON THE NEBRASKA SECRETARY OF STATE WEBSITE THE CONFLICT OF INTEREST POLICY IS AVAILABLE UPON REQUEST SAINT ELIZABETH FOUNDATION'S FINANCIAL STATEMENTS ARE INCLUDED IN THE CATHOLIC HEALTH INITIATIVES' CONSOLIDATED AUDITED FINANCIAL STATEMENTS THAT ARE AVAILABLE AT WWW CATHOLICHEALTHINIT ORG OR AT WWW DACBOND COM

Return Reference	Explanation
Form 990, Part IX, Line 11g, Other Expenses	OTHER FEES FOR SERVICES - TOTAL EXPENSE 85135, PROGRAM SERVICE EXPENSE , MANAGEMENT AND GENERAL EXPENSES 1580, FUNDRAISING EXPENSES 83555, COMPENSATION PAID BY RELATED ORGANIZATION - TOTAL EXPENSE 508495, PROGRAM SERVICE EXPENSE 103243, MANAGEMENT AND GENERAL EXPENSES 152004, FUNDRAISING EXPENSES 253248,

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
SAINT ELIZABETH FOUNDATION

Employer identification number
47-0625523

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	No
See Additional Data Table							

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

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

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	(i) No
See Additional Data Table									

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

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

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

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

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

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

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

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

Part VII **Supplemental Information**

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

Return Reference	Explanation

Additional Data

Software ID: 13000248
Software Version: 2013v3.1
EIN: 47-0625523
Name: SAINT ELIZABETH FOUNDATION

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	No
(1) ALEGENT CREIGHTON CLINIC 12809 W DODGE RD OMAHA, NE 68154 47-0765154	HEALTHCARE	NE	501(C)(3)	3	ACH	Yes	
(1) ALEGENT CREIGHTON HEALTH 12809 W DODGE RD OMAHA, NE 68154 47-0757164	HEALTHCARE	NE	501(C)(3)	3	CHI NEBRASKA	Yes	
(2) ALEGENT CREIGHTON HEALTH FOUNDATION 12809 W DODGE RD OMAHA, NE 68154 47-0648586	FUNDRAISING	NE	501(C)(3)	7	ACH	Yes	
(3) ALEGENT HEALTH - BERGAN MERCY HEALTH SYSTEM 7500 MERCY RD OMAHA, NE 68124 47-0484764	HEALTHCARE	NE	501(C)(3)	3	CHI NEBRASKA	Yes	
(4) ALEGENT HEALTH - COMMUNITY MEMORIAL HOSPITAL OF MISSOURI VALLEY IA 631 N 8TH ST MISSOURI VALLEY, IA 51555 42-0776568	HEALTHCARE	IA	501(C)(3)	3	CHI NEBRASKA	Yes	
(5) ALEGENT HEALTH - IMMANUEL MEDICAL CENTER 6901 N 72ND ST OMAHA, NE 68122 47-0376615	HEALTHCARE	NE	501(C)(3)	3	CHI NEBRASKA	Yes	
(6) ALEGENT HEALTH - MEMORIAL HOSPITAL SCHUYLER 104 W 17TH ST SCHUYLER, NE 68661 47-0399853	HEALTHCARE	NE	501(C)(3)	3	CHI NEBRASKA	Yes	
(7) ALEGENT HEALTH - MERCY HOSPITAL CORNING IOWA PO BOX 368 CORNING, IA 50841 42-0782518	HEALTHCARE	IA	501(C)(3)	3	CHI NEBRASKA	Yes	
(8) ALVERNA APARTMENTS 300 SE 8TH AVE LITTLE FALLS, MN 56345 41-1351177	LTERM CARE	MN	501(C)(3)	9	CHI	Yes	
(9) APPLETREE COURT 601 OAK ST BRECKENRIDGE, MN 56520 41-1850500	SENIOR LIVING	MN	501(C)(3)	9	SFH	Yes	
(10) BISHOP DRUMM RETIREMENT CENTER 1111 6TH AVE DES MOINES, IA 50314 42-0725196	LTERM CARE	IA	501(C)(3)	9	CHI-IA CORP	Yes	
(11) BORNEMANN HEALTHCARE CORPORATION 2500 BERNVILLE RD PO BOX 316 READING, PA 19603 23-2187242	HEALTHCARE	PA	501(C)(3)	11 - Type I	CHI	Yes	
(12) CARRINGTON HEALTH CENTER 800 N 4TH ST CARRINGTON, ND 58421 45-0227311	HEALTHCARE	ND	501(C)(3)	3	CHI	Yes	
(13) CATHOLIC HEALTH INITIATIVES 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 47-0617373	HEALTHCARE	CO	501(C)(3)	9	NA	Yes	
(14) CATHOLIC HEALTH INITIATIVES - COLORADO 188 INVERNESS DRIVE WEST STE 500 ENGLEWOOD, CO 80112 84-0405257	HEALTHCARE	CO	501(C)(3)	3	CHI	Yes	
(15) CATHOLIC HEALTH INITIATIVES - IOWA CORP 1111 6TH AVE DES MOINES, IA 50314 42-0680448	HEALTHCARE	IA	501(C)(3)	3	CHI	Yes	
(16) CATHOLIC HEALTH INITIATIVES COLORADO FOUNDATION 6385 CORPORATE DR STE 301 COLORADO SPRINGS, CO 80919 84-0902211	FUNDRAISING	CO	501(C)(3)	7	CHIC	Yes	
(17) CATHOLIC HEALTH INITIATIVES NATIONAL FOUNDATION 6385 CORPORATE DR COLORADO SPRINGS, CO 80919 27-0930004	FUNDRAISING	CO	501(C)(3)	11 - Type I	CHI	Yes	
(18) CATHOLIC HEALTH INITIATIVES VIRTUAL HEALTH SERVICES 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 46-0992796	HEALTHCARE	CO	501(C)(3)	11 - Type I	CHINS	Yes	
(19) CENTENNIAL MEDICAL GROUP INC 2700 STEWART PKWY ROSEBURG, OR 97471 26-3946191	PHYSICIANS	OR	501(C)(3)	9	MMC	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	No
(21) CENTRAL KANSAS MEDICAL CENTER 3515 BROADWAY GREAT BEND, KS 67530 48-0543724	SURGERY CENTER	KS	501(C)(3)	3	CHI	Yes	
(1) CHI HEALTH CONNECT AT HOME - FARGO 4816 AMBER VALLEY PKWY S FARGO, ND 58104 27-1966847	HEALTHCARE	MN	501(C)(3)	9	CHI	Yes	
(2) CHI INSTITUTE FOR RESEARCH AND INNOVATION 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 27-1050565	HEALTHCARE	CO	501(C)(3)	11 - Type I	CHI	Yes	
(3) CHI KENTUCKY INC 3900 OLYMPIC BLVD STE 400 ERLANGER, KY 41018 20-2741651	HEALTHCARE	KY	501(C)(3)	11 - Type I	CHI	Yes	
(4) CHI NATIONAL HOME CARE 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 45-1261716	HEALTHCARE	CO	501(C)(3)	9	CHI NS	Yes	
(5) CHI NATIONAL SERVICES 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 45-2532084	HEALTHCARE	CO	501(C)(3)	11 - Type I	CHI	Yes	
(6) CHI NEBRASKA 6940 O ST STE 200 LINCOLN, NE 68510 36-3233121	HEALTHCARE	NE	501(C)(3)	11 - Type III - FI	CHI	Yes	
(7) CHI ST LUKE'S HEALTH BAYLOR COLLEGE OF MEDICINE MEDICAL CENTER 6624 FANNIN ST HOUSTON, TX 77030 74-1161938	HEALTHCARE	TX	501(C)(3)	3	SLHS	Yes	
(8) CHI ST VINCENT HOSPITAL HOT SPRINGS 300 WERNER ST HOT SPRINGS, AR 71913 71-0236913	HEALTHCARE	AR	501(C)(3)	3	CHISVHS	Yes	
(9) CHI ST VINCENT HOT SPRINGS 300 WERNER ST HOT SPRINGS, AR 71913 26-1125064	HOLDING CO	AR	501(C)(3)	11 - Type II	SVIMC	Yes	
(10) CHI ST VINCENT MEDICAL GROUP HOT SPRINGS 1 MERCY LANE STE 201 HOT SPRINGS, AR 71913 26-1125131	HEALTHCARE	AR	501(C)(3)	3	CHISVHS	Yes	
(11) COMMUNITY LIMITED CARE DIALYSIS CENTER 619 OAK ST ACCOUNTING-3 W CINCINNATI, OH 45206 23-7419853	HOLDING CO	OH	501(C)(2)	N/A	GSH	Yes	
(12) COMMUNITY MEMORIAL HOSPITAL MEDICAL SERVICE FOUNDATION 631 N 8TH ST MISSOURI VALLEY, IA 51555 42-1294399	FUNDRAISING	IA	501(C)(3)	11 - Type I	AH-CMHMV	Yes	
(13) CONTINUING CARE HOSPITAL 150 NORTH EAGLE CREEK DR LEXINGTON, KY 40509 61-1400619	LT ACH	KY	501(C)(3)	3	SJHS	Yes	
(14) COVENANT HOME CARE 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 23-2028429	HOME HEALTH	PA	501(C)(3)	11 - Type II	CHI NHC	Yes	
(15) ENUMCLAW REGIONAL HOSPITAL ASSOCIATION 1450 BATTERSBY AVE ENUMCLAW, WA 98022 91-0715805	HEALTHCARE	WA	501(C)(3)	3	FHS	Yes	
(16) FLAGET HEALTHCARE INC 4305 NEW SHEPHERDSVILLE RD BARDSTOWN, KY 40004 61-1345363	HEALTHCARE	KY	501(C)(3)	3	KOH	Yes	
(17) FLAGET MEMORIAL HOSPITAL FOUNDATION INC 4305 NEW SHEPHERDSVILLE RD BARDSTOWN, KY 40004 56-2351341	FUNDRAISING	KY	501(C)(3)	11 - Type I	FH	Yes	
(18) FRANCISCAN FOUNDATION 1717 SOUTH J ST TACOMA, WA 98405 91-1145592	FUNDRAISING	WA	501(C)(3)	9	FHS	Yes	
(19) FRANCISCAN HEALTH SYSTEM 1717 SOUTH J ST TACOMA, WA 98405 91-0564491	HEALTHCARE	WA	501(C)(3)	3	CHI	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled entity? Yes	No
(41) FRANCISCAN HEALTH VENTURES FKA SJMGROUP TACOMA FNC CTR BLDG 1145 BROADWAY TACOMA, WA 98402 43-1882377	PHYSICIANS	MO	501(C)(3)	9	CHI	Yes	
(1) FRANCISCAN MEDICAL GROUP 1313 BROADWAY STE 200 TACOMA, WA 98402 91-1939739	HEALTHCARE	WA	501(C)(3)	9	FHS	Yes	
(2) FRANCISCAN VILLA OF SOUTH MILWAUKEE INC 3601 S CHICAGO AVE SOUTH MILWAUKEE, WI 53172 39-1093829	HEALTHCARE	WI	501(C)(3)	9	CHI	Yes	
(3) GLOBAL HEALTH INITIATIVES 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 20-1536108	MINISTRIES	CO	501(C)(3)	11 - Type I	CHI	Yes	
(4) GOOD SAMARITAN COLLEGE OF NURSING & HEALTH SCIENCE 619 OAK ST ACCOUNTING-3 W CINCINNATI, OH 45206 31-1778403	EDUCATION	OH	501(C)(3)	2	GSH	Yes	
(5) GOOD SAMARITAN FOUNDATION OF CINCINNATI INC 619 OAK ST ACCOUNTING-3 W CINCINNATI, OH 45206 31-1206047	FUNDRAISING	OH	501(C)(3)	11 - Type I	GSH	Yes	
(6) GOOD SAMARITAN HOSPITAL PO BOX 1990 KEARNEY, NE 68848 47-0379755	HEALTHCARE	NE	501(C)(3)	3	CHI NEBRASKA	Yes	
(7) GOOD SAMARITAN HOSPITAL FOUNDATION 111 W 31ST ST KEARNEY, NE 68847 47-0659443	FUNDRAISING	NE	501(C)(3)	7	GSH	Yes	
(8) GOOD SAMARITAN HOSPITAL FOUNDATION - DAYTON 110 N MAIN ST STE 500 DAYTON, OH 45402 23-7296923	FUNDRAISING	OH	501(C)(3)	7	SHP	Yes	
(9) HARRISON MEDICAL CENTER 2520 CHERRY AVE BREMERTON, WA 98310 91-0565546	HEALTHCARE	WA	501(C)(3)	3	FHS	Yes	
(10) HARRISON MEDICAL CENTER FOUNDATION 2520 CHERRY AVE BREMERTON, WA 98310 91-1197626	FUNDRAISING	WA	501(C)(3)	7	HMC	Yes	
(11) HEALTH SET 2420 W 26TH AVE STE 460D DENVER, CO 80211 84-1102943	LOW INC CARE	CO	501(C)(3)	7	CHIC	Yes	
(12) HEALTHCARE AND WELLNESS FOUNDATION 2400 ST FRANCIS DR BRECKENRIDGE, MN 56520 76-0761782	FUNDRAISING	MN	501(C)(3)	11 - Type I	SFMC	Yes	
(13) HIGHLINE MEDICAL CENTER 16251 SYLVESTER RD SW BURIEN, WA 98166 91-0712166	HEALTHCARE	WA	501(C)(3)	3	FHS	Yes	
(14) HOUSE OF MERCY 1111 6TH AVE DES MOINES, IA 50314 42-1323808	SHELTER	IA	501(C)(3)	7	CHI-IA CORP	Yes	
(15) JEWISH HOSPITAL AND ST MARY'S HEALTHCARE INC 539 S 4TH ST LOUISVILLE, KY 40202 61-1029768	HEALTHCARE	KY	501(C)(3)	3	KOH	Yes	
(16) KENTUCKYONE HEALTH MEDICAL GROUP INC 539 S 4TH ST LOUISVILLE, KY 40202 61-1352729	HEALTHCARE	KY	501(C)(3)	9	JHSMH	Yes	
(17) KENTUCKYONE HEALTH INC 200 ABRAHAM FLEXNER WAY LOUISVILLE, KY 40202 61-1029769	HEALTHCARE	KY	501(C)(3)	9	CHI	Yes	
(18) LAKEWOOD HEALTH CENTER 600 MAIN AVE S BAUDETTE, MN 56623 41-0758434	HEALTHCARE	MN	501(C)(3)	3	CHI	Yes	
(19) LINUS OAKES INC 2700 STEWART PKWY ROSEBURG, OR 97471 93-0821381	SENIOR LIVING	OR	501(C)(3)	9	MMC	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	No
(61) LISBON AREA HEALTH SERVICES 905 MAIN ST LISBON, ND 58054 82-0558836	HEALTHCARE	ND	501(C)(3)	3	CHI	Yes	
(1) LUFKIN VISION ACQUISITIONS PO BOX 1447 LUFKIN, TX 75901 82-0563768	PROPERTY MGMT	TX	501(C)(3)	11 - Type III - FI	MHSET	Yes	
(2) MEMORIAL HEALTH CARE SYSTEM FOUNDATION INC 2525 DE SALES AVE CHATTANOOGA, TN 37404 62-1839548	FUNDRAISING	TN	501(C)(3)	7	MHCS	Yes	
(3) MEMORIAL HEALTH CARE SYSTEM INC 2525 DE SALES AVE CHATTANOOGA, TN 37404 62-0532345	HEALTHCARE	TN	501(C)(3)	3	CHI	Yes	
(4) MEMORIAL HEALTH PARTNERS FOUNDATION INC 5600 BRAINERD RD STE 500 CHATTANOOGA, TN 37411 03-0417049	HEALTHCARE	TN	501(C)(3)	9	MHCS	Yes	
(5) MEMORIAL HEALTH SYSTEM OF EAST TEXAS PO BOX 1447 LUFKIN, TX 75902 75-0755367	HEALTHCARE	TX	501(C)(3)	3	CHI	Yes	
(6) MEMORIAL MEDICAL CENTER - LIVINGSTON PO BOX 1447 LUFKIN, TX 75902 76-0436439	HEALTHCARE	TX	501(C)(3)	3	MHSET	Yes	
(7) MEMORIAL MEDICAL CENTER - SAN AUGUSTINE PO BOX 1447 LUFKIN, TX 75902 75-2663904	HEALTHCARE	TX	501(C)(3)	3	MHSET	Yes	
(8) MEMORIAL MULTISPECIALTY ASSOCIATES 1201 FRANK AVE LUFKIN, TX 95904 75-2721155	PHYSICIANS	TX	501(C)(3)	11 - Type III - FI	MHSET	Yes	
(9) MEMORIAL SPECIALTY HOSPITAL PO BOX 1447 LUFKIN, TX 95902 75-2492741	HEALTHCARE	TX	501(C)(3)	3	MHSET	Yes	
(10) MERCY AUXILIARY OF CENTRAL IOWA 1111 6TH AVE DES MOINES, IA 50314 42-6076069	AUXILIARY	IA	501(C)(3)	11 - Type I	MF-DM IA	Yes	
(11) MERCY CLINICS INC 1111 6TH AVE DES MOINES, IA 50314 42-1193699	PHYSICIANS	IA	501(C)(3)	9	CHI-IA CORP	Yes	
(12) MERCY COLLEGE OF HEALTH SCIENCES 1111 6TH AVE DES MOINES, IA 50314 42-1511682	EDUCATION	IA	501(C)(3)	2	CHI-IA CORP	Yes	
(13) MERCY FOUNDATION OF DES MOINES IA 1111 6TH AVE DES MOINES, IA 50314 23-7358794	FUNDRAISING	IA	501(C)(3)	7	CHI-IA CORP	Yes	
(14) MERCY FOUNDATION INC 2700 STEWART PKWY ROSEBURG, OR 97471 93-6088946	FUNDRAISING	OR	501(C)(3)	7	MMC	Yes	
(15) MERCY HEALTH CARE FOUNDATION PO BOX 368 CORNING, IA 50841 42-1461064	FUNDRAISING	IA	501(C)(3)	11 - Type I	AHMH-CORNING	Yes	
(16) MERCY HEALTHCARE FOUNDATION 570 CHAUTAUQUA BLVD VALLEY CITY, ND 58072 45-0435338	FUNDRAISING	ND	501(C)(3)	11 - Type III - FI	MHVC	Yes	
(17) MERCY HOSPITAL FOUNDATION COUNCIL BLUFFS 800 MERCY DR COUNCIL BLUFFS, IA 51503 42-1178204	FUNDRAISING	IA	501(C)(3)	11 - Type I	AHBMHS	Yes	
(18) MERCY HOSPITAL OF DEVILS LAKE 1031 7TH ST NE DEVILS LAKE, ND 58301 45-0227012	HEALTHCARE	ND	501(C)(3)	3	CHI	Yes	
(19) MERCY HOSPITAL OF DEVILS LAKE FOUNDATION 1031 7TH ST NE DEVILS LAKE, ND 58301 35-2367360	FUNDRAISING	ND	501(C)(3)	7	MHDL	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	No
(81) MERCY HOSPITAL OF VALLEY CITY 570 CHAUTAUQUA BLVD VALLEY CITY, ND 58072 45-0226553	HEALTHCARE	ND	501(C)(3)	3	CHI	Yes	
(1) MERCY MEDICAL CENTER 1301 15TH AVE WEST WILLISTON, ND 58801 45-0231183	HEALTHCARE	ND	501(C)(3)	3	CHI	Yes	
(2) MERCY MEDICAL CENTER - CENTERVILLE ONE ST JOSEPHS DRIVE CENTERVILLE, IA 52544 42-0680308	HEALTHCARE	IA	501(C)(3)	3	CHI-IA CORP	Yes	
(3) MERCY MEDICAL CENTER INC 2700 STEWART PKWY ROSEBURG, OR 97471 93-0386868	HEALTHCARE	OR	501(C)(3)	3	CHI	Yes	
(4) MERCY MEDICAL FOUNDATION 1301 15TH AVE WEST WILLISTON, ND 58801 45-0381803	FUNDRAISING	ND	501(C)(3)	11 - Type I	MMC	Yes	
(5) MERCY PROFESSIONAL PRACTICE ASSOCIATES INC 1111 6TH AVE DES MOINES, IA 50314 42-1470935	PHYSICIANS	IA	501(C)(3)	9	CHI-IA CORP	Yes	
(6) NEBRASKA HEART HOSPITAL 7500 S 91ST ST LINCOLN, NE 68526 39-2031968	HEALTHCARE	NE	501(C)(3)	3	CHI NEBRASKA	Yes	
(7) OAKES COMMUNITY HOSPITAL 1200 N 7TH ST OAKES, ND 58474 45-0231675	HEALTHCARE	ND	501(C)(3)	3	CHI	Yes	
(8) OAKES COMMUNITY HOSPITAL FOUNDATION 1200 N 7TH ST OAKES, ND 58474 71-0966606	FUNDRAISING	ND	501(C)(3)	11 - Type I	OCH	Yes	
(9) PINEYWOODS MEDICAL DEVELOPMENT CORP PO BOX 1447 LUFKIN, TX 75902 75-2493116	PROPERTY MGMT	TX	501(C)(3)	11 - Type III - FI	MHSET	Yes	
(10) PUEBLO STEPUP 1925 E ORMAN AVE STE G52 PUEBLO, CO 81004 84-1234295	COMMUNITY	CO	501(C)(3)	7	CHIC	Yes	
(11) REGIONAL HOSPITAL FOR RESPIRATORY AND COMPLEX CARE 12844 MILITARY RD S TUKWILA, WA 98168 91-1170040	HEALTHCARE	WA	501(C)(3)	3	FHS	Yes	
(12) SET OF COLORADO SPRINGS INC 2864 S CIRCLE DR STE 450 COLORADO SPRINGS, CO 80906 84-1183335	LTERM CARE	CO	501(C)(3)	7	CHIC	Yes	
(13) SAINT CLARE'S COMMUNITY CARE INC 25 POCONO RD DENVILLE, NJ 07834 22-2876836	HEALTHCARE	NJ	501(C)(3)	11 - Type II	SCHS	Yes	
(14) SAINT CLARE'S FOUNDATION INC 25 POCONO RD DENVILLE, NJ 07834 22-2502997	FUNDRAISING	NJ	501(C)(3)	7	SCHS	Yes	
(15) SAINT CLARE'S HEALTH SERVICES INC 25 POCONO RD DENVILLE, NJ 07834 22-3639733	MANAGEMENT	NJ	501(C)(3)	11 - Type II	CHI	Yes	
(16) SAINT CLARE'S HOSPITAL INC 25 POCONO RD DENVILLE, NJ 07834 22-3319886	HEALTHCARE	NJ	501(C)(3)	3	SCHS	Yes	
(17) SAINT ELIZABETH FOUNDATION 555 S 70TH ST LINCOLN, NE 68510 47-0625523	FUNDRAISING	NE	501(C)(3)	7	SERMC	Yes	
(18) SAINT ELIZABETH HEALTH SERVICES 555 S 70TH ST LINCOLN, NE 68510 36-3233120	HEALTHCARE	NE	501(C)(3)	3	SERMC	Yes	
(19) SAINT ELIZABETH REGIONAL MEDICAL CENTER 555 S 70TH ST LINCOLN, NE 68510 47-0379836	HEALTHCARE	NE	501(C)(3)	3	CHI NEBRASKA	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	No
(101) SAINT FRANCIS MEDICAL CENTER 2620 W FAIDLEY GRAND ISLAND, NE 68803 47-0376601	HEALTHCARE	NE	501(C)(3)	3	CHI NEBRASKA	Yes	
(1) SAINT FRANCIS MEDICAL CENTER FOUNDATION PO BOX 9804 GRAND ISLAND, NE 68802 47-0630267	FUNDRAISING	NE	501(C)(3)	7	SFMC	Yes	
(2) SAINT JOSEPH BEREA HOSPITAL FOUNDATION INC 305 ESTILL ST BEREA, KY 40403 26-0152877	FUNDRAISING	KY	501(C)(3)	7	SJHS	Yes	
(3) SAINT JOSEPH HEALTH SYSTEM INC 424 LEWIS HARGETT CIRCLE STE 160 LEXINGTON, KY 40503 61-1334601	HEALTHCARE	KY	501(C)(3)	3	KOH	Yes	
(4) SAINT JOSEPH HOSPITAL FOUNDATION INC ONE SAINT JOSEPH DRIVE LEXINGTON, KY 40504 61-1159649	FUNDRAISING	KY	501(C)(3)	11 - Type I	SJHS	Yes	
(5) SAINT JOSEPH LONDON FOUNDATION INC 1001 SAINT JOSEPH LANE LONDON, KY 40741 26-0438748	FUNDRAISING	KY	501(C)(3)	7	SJHS	Yes	
(6) SAINT JOSEPH MEDICAL FOUNDATION INC 200 ABRAHAM FLEXNER WAY LOUISVILLE, KY 40202 31-1539059	PHYSICIANS	KY	501(C)(3)	3	SJHS	Yes	
(7) SAINT JOSEPH MOUNT STERLING FOUNDATION INC 225 FALCON DR MOUNT STERLING, KY 40353 27-2884584	FUNDRAISING	KY	501(C)(3)	7	SJHS	Yes	
(8) SAINT JOSEPH'S HOSPITAL FOUNDATION 30 WEST 7TH ST DICKINSON, ND 58601 36-3418207	FUNDRAISING	ND	501(C)(3)	11 - Type I	SJHHC	Yes	
(9) SAMARITAN BEHAVIORAL HEALTH INC 601 S EDWIN C MOSES BLVD DAYTON, OH 45417 02-0633634	HEALTHCARE	OH	501(C)(3)	7	SHP	Yes	
(10) SAMARITAN HEALTH PARTNERS 110 N MAIN ST STE 500 DAYTON, OH 45402 31-1107411	HEALTHCARE	OH	501(C)(3)	11 - Type I	CHI	Yes	
(11) SCHUYLER MEMORIAL HOSPITAL FOUNDATION INC 104 W 17TH ST SCHUYLER, NE 68661 36-3630014	FUNDRAISING	NE	501(C)(3)	11 - Type I	AHMHS	Yes	
(12) SJRMC JOPLIN MISSOURI 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 44-0545809	HEALTHCARE	MO	501(C)(3)	3	CHI	Yes	
(13) SL AUGUSTA CORP PO BOX 20269 HOUSTON, TX 77225 76-0226623	TITLE HOLDING	TX	501(C)(2)	N/A	SLPC	Yes	
(14) ST ANTHONY HOSPITAL 1601 SE COURT AVE PENDLETON, OR 97801 93-0391614	HEALTHCARE	OR	501(C)(3)	3	CHI	Yes	
(15) ST ANTHONY HOSPITAL FOUNDATION 1601 SE COURT AVE PENDLETON, OR 97801 93-0992727	FUNDRAISING	OR	501(C)(3)	11 - Type I	SAH	Yes	
(16) ST ANTHONY'S HOSPITAL ASSOCIATION FOUR HOSPITAL DR MORRILTON, AR 72110 71-0245507	HEALTHCARE	AR	501(C)(3)	3	SVIMC	Yes	
(17) ST CATHERINE HOSPITAL 401 EAST SPRUCE ST GARDEN CITY, KS 67846 48-0543721	HEALTHCARE	KS	501(C)(3)	3	CHI	Yes	
(18) ST CATHERINE HOSPITAL DEVELOPMENT FOUNDATION 401 EAST SPRUCE ST GARDEN CITY, KS 67846 20-0598702	FUNDRAISING	KS	501(C)(3)	11 - Type I	SCH	Yes	
(19) ST DOMINIC OF ONTARIO OREGON 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 93-0433692	HEALTHCARE	OR	501(C)(4)	N/A	CHI	Yes	

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(121) ST FRANCIS HOME 2400 ST FRANCIS DR BRECKENRIDGE, MN 56520 41-0729978	LTERM CARE	MN	501(C)(3)	9	CHI	Yes	
(1) ST FRANCIS LIFE CARE CORPORATION 19 POCONO RD DENVILLE, NJ 07834 22-2536017	ELDERLY CARE	NJ	501(C)(3)	9	SCHS	Yes	
(2) ST FRANCIS MEDICAL CENTER 2400 ST FRANCIS DR BRECKENRIDGE, MN 56520 41-0695598	HEALTHCARE	MN	501(C)(3)	3	CHI	Yes	
(3) ST FRANCIS OF BAKER CITY 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 93-0412495	HEALTHCARE	OR	501(C)(3)	3	CHI	Yes	
(4) ST JOSEPH COMMUNITY HEALTH 1516 5TH ST NW ALBUQUERQUE, NM 87102 71-0897107	COMMUNITY	NM	501(C)(3)	11 - Type I	CHI	Yes	
(5) ST JOSEPH HEALTH MINISTRIES 1929 LINCOLN HWY E STE 150 LANCASTER, PA 17602 23-2342997	HEALTHCARE	PA	501(C)(3)	11 - Type I	CHI	Yes	
(6) ST JOSEPH MEDICAL CENTER FOUNDATION 2500 BERNVILLE RD PO BOX 316 READING, PA 19603 23-2649362	FUNDRAISING	PA	501(C)(3)	11 - Type I	SJRHN	Yes	
(7) ST JOSEPH MEDICAL CENTER INC 201 INTERNATIONAL CIRCLE STE 212 HUNT VALLEY, MD 21030 52-0591461	HEALTHCARE	MD	501(C)(3)	3	CHI	Yes	
(8) ST JOSEPH MEDICAL GROUP 2500 BERNVILLE RD PO BOX 316 READING, PA 19603 20-8544021	HEALTHCARE	PA	501(C)(3)	9	BHC	Yes	
(9) ST JOSEPH PHYSICIAN ENTERPRISE INC 201 INTERNATIONAL CIRCLE STE 212 HUNT VALLEY, MD 21030 52-1311775	PHYSICIANS	MD	501(C)(3)	11 - Type I	SJMC	Yes	
(10) ST JOSEPH REGIONAL HEALTH NETWORK 2500 BERNVILLE RD PO BOX 316 READING, PA 19603 23-1352211	HEALTHCARE	PA	501(C)(3)	3	CHI	Yes	
(11) ST JOSEPH'S AREA HEALTH SERVICES 600 PLEASANT AVE PARK RAPIDS, MN 56470 41-0695603	HEALTHCARE	MN	501(C)(3)	3	CHI	Yes	
(12) ST JOSEPH'S HOSPITAL AND HEALTH CENTER 30 WEST 7TH ST DICKINSON, ND 58601 45-0226429	HEALTHCARE	ND	501(C)(3)	3	CHI	Yes	
(13) ST LUKE'S COMMUNITY DEVELOPMENT CORPORATION 6624 FANNIN ST STE 2505 HOUSTON, TX 77030 26-0274448	MANAGEMENT	TX	501(C)(3)	11 - Type I	SLHS	Yes	
(14) ST LUKE'S COMMUNITY DEVELOPMENT CORPORATION - PMC 6624 FANNIN ST STE 2505 HOUSTON, TX 77030 27-3733278	HEALTHCARE	TX	501(C)(3)	3	SLCDC	Yes	
(15) ST LUKE'S COMMUNITY DEVELOPMENT CORPORATION - SUGAR LAND 6624 FANNIN ST STE 2505 HOUSTON, TX 77030 26-1947374	HEALTHCARE	TX	501(C)(3)	3	SLHS	Yes	
(16) ST LUKE'S COMMUNITY DEVELOPMENT CORPORATION - THE WOODLANDS 6624 FANNIN ST STE 2505 HOUSTON, TX 77030 26-0335902	HEALTHCARE	TX	501(C)(3)	3	SLCDC	Yes	
(17) ST LUKE'S COMMUNITY HEALTH SERVICES 6624 FANNIN ST STE 1100 HOUSTON, TX 77030 76-0536234	HEALTHCARE	TX	501(C)(3)	3	SLHS	Yes	
(18) ST LUKE'S FOUNDATION 1213 HERMANN DRIVE STE 855 HOUSTON, TX 77004 45-3811485	FUNDRAISING	TX	501(C)(3)	7	SLHS	Yes	
(19) ST LUKE'S HEALTH SYSTEM CORPORATION 6624 FANNIN ST STE 1100 HOUSTON, TX 77030 76-0536232	MANAGEMENT	TX	501(C)(3)	11 - Type I	CHI	Yes	

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(141) ST LUKE'S HEALTH SYSTEM FOUNDATION 6624 FANNIN ST STE 1100 HOUSTON, TX 77030 76-0127715	INVESTMENT MGMT	TX	501(C)(3)	11 - Type I	SLHS	Yes	
(1) ST LUKE'S HOSPITAL AT THE VINTAGE 6624 FANNIN ST STE 2505 HOUSTON, TX 77030 26-3734606	HEALTHCARE	TX	501(C)(3)	3	SLHS	Yes	
(2) ST LUKE'S MEDICAL GROUP 6624 FANNIN ST HOUSTON, TX 77030 76-0458535	PHYSICIANS	TX	501(C)(3)	3	SLHS	Yes	
(3) ST LUKE'S MEDICAL TOWER CORPORATION 6624 FANNIN ST STE 1100 HOUSTON, TX 77030 76-0531713	PROPERTY MGMT	TX	501(C)(3)	11 - Type I	CHI-SLH	Yes	
(4) ST LUKE'S PROPERTIES CORPORATION 6624 FANNIN ST STE 1100 HOUSTON, TX 77030 76-0531716	PROPERTY MGMT	TX	501(C)(3)	11 - Type I	SLHS	Yes	
(5) ST LUKE'S SUGAR LAND PROPERTIES CORPORATION 6624 FANNIN ST STE 2505 HOUSTON, TX 77030 45-4120549	PROPERTY MGMT	TX	501(C)(3)	11 - Type I	SLCDC-SL	Yes	
(6) ST MARY'S COMMUNITY HOSPITAL 1314 3RD AVE NEBRASKA CITY, NE 68410 47-0443636	HEALTHCARE	NE	501(C)(3)	3	CHI NEBRASKA	Yes	
(7) ST MARY'S HOSPITAL FOUNDATION 1314 3RD AVE NEBRASKA CITY, NE 68410 47-0707604	FUNDRAISING	NE	501(C)(3)	7	SMCH	Yes	
(8) ST VINCENT FOUNDATION TWO ST VINCENT CIRCLE LITTLE ROCK, AR 72205 51-0169537	FUNDRAISING	AR	501(C)(3)	11 - Type I	SVIMC	Yes	
(9) ST VINCENT INFIRMARY MEDICAL CENTER TWO ST VINCENT CIRCLE LITTLE ROCK, AR 72205 71-0236917	HEALTHCARE	AR	501(C)(3)	3	CHI	Yes	
(10) ST VINCENT MEDICAL GROUP TWO ST VINCENT CIRCLE LITTLE ROCK, AR 72205 71-0830696	HEALTHCARE	AR	501(C)(3)	9	SVIMC	Yes	
(11) THE GOOD SAMARITAN HOSPITAL OF CINCINNATI OH 619 OAK ST ACCOUNTING-3 W CINCINNATI, OH 45206 31-0537486	HEALTHCARE	OH	501(C)(3)	3	CHI	Yes	
(12) THE PHYSICIAN NETWORK 2000 Q ST STE 500 LINCOLN, NE 68503 47-0780857	PHYSICIANS	NE	501(C)(3)	11 - Type I	CHI NEBRASKA	Yes	
(13) TOTAL HEALTHCARE 188 INVERNESS DRIVE WEST STE 500 ENGLEWOOD, CO 80112 84-0927232	HEALTHCARE	CO	501(C)(3)	3	CHIC	Yes	
(14) UNITY FAMILY HEALTHCARE 815 SE 2ND ST LITTLE FALLS, MN 56345 41-0721642	HEALTHCARE	MN	501(C)(3)	3	CHI	Yes	
(15) VILLA NAZARETH INC 801 PAGE DR FARGO, ND 58103 45-0226714	LTERM CARE	ND	501(C)(3)	9	CHI	Yes	
(16) VISITING NURSE ASSOCIATION OF ST CLARE'S INC 191 WOODPORT RD SPARTA, NJ 07871 22-1768334	HOME HEALTH	NJ	501(C)(3)	9	SCHS	Yes	
(17) WOODLANDS DOCTOR GROUP 17200 ST LUKES WAY STE 170 THE WOODLANDS, TX 77384 27-4499340	PHYSICIANS	TX	501(C)(3)	9	SLCHS	Yes	

Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(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 K-1 (Form 1065)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
ALEGENT HEALTH NORTHWEST IMAGING CENTER LLC 3606 N 156TH ST OMAHA, NE 68116 06-1786985	OP DIAGNOSTICS	NE	ACH	RELATED	116,752	776,649		No	0	Yes		51 %
AUDUBON LAND COMPANY LLC 5390 N ACADEMY BLVD STE 300 COLORADO SPRINGS, CO 80918 84-1513085	REAL ESTATE	CO	CHIC	RELATED	34,991	8,665,388		No	0		No	50 1 %
AVANTAS LLC 11128 JOHN GALT BLVD STE 400 OMAHA, NE 68137 39-2045003	STAFFING OF NURSES	NE	AHBMHS	RELATED	-319,683	4,762,246		No	-439,535		No	95 %
BERGAN MERCY SURGERY CENTER LLC 7710 MERCY RD STE 200 OMAHA, NE 68124 20-8671994	AMBUL SURG CTR	NE	ACH	RELATED	142,085	3,294,472		No	0		No	63 94 %
BERYWOOD OFFICE PROPERTIES LLC 400 BERYWOOD TRAIL CLEVELAND, TN 37312 62-1875199	PHYS OFFICE	TN	MHCS	RELATED	57,545	1,013,237		No	0	Yes		63 %
BLUEGRASS REGIONAL IMAGING CENTER 1218 SOUTH BRDWAY STE 310 LEXINGTON, KY 40504 61-1386736	DIAGNOSTIC IMAGING	KY	SJHS	RELATED	308,428	3,317,191		No	0		No	65 %
CATHOLIC HEALTH INITIATIVES PHYSICIAN SERVICES LLC 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 46-2945938	PRACTICE MGMT SRVC	DE	CHI	RELATED	2,478	4,571,498		No	0	Yes		80 %
CENTRAL NEBRASKA HOME CARE SERVICES PO BOX 1146 4502 N SECOND AVE KEARNEY, NE 68848 47-0692112	HEALTHCARE SRVC	NE	NA	RELATED	-195,425	216,945		No	-77,269	Yes		100 %
CENTRAL NEBRASKA REHAB SERVICE 620 DIERS AVE STE 300 GRAND ISLAND, NE 68803 81-0653461	PHYSICAL THERAPY	NE	SFMC	RELATED	2,132,606	3,494,427		No	0		No	51 %
CHI OPERATING INVESTMENT PROGRAM LP 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 47-0727942	INVESTMENTS	CO	CHI	UNRELATED	344,962,532	4,617,413,792		No	0	Yes		92 8 %
CHICAMSURG SURGERY CENTERS LLC 188 INVERNESS DRIVE WEST 500 ENGLEWOOD, CO 80112 11-1222333	SURGERY CENTER	CO	CHIC	RELATED	0	0		No	0		No	51 %
HC SL VINTAGE I LLC 18000 W SARAH LANE STE 250 BROOKFIELD, WI 53045 27-0453767	PROPERTY HOLDING	WI	SL CDC-V	RELATED	1,027,057	105,658,490		No	0		No	51 %
HEALTHCARE SUPPORT SERVICES PO BOX 9804 GRAND ISLAND, NE 68802 72-1546196	LAUNDRY	NE	NA	RELATED	98,584	3,190,678		No	97,006		No	100 %
HEARTLAND ONCOLOGY LLC 2337 E CRAWFORD ST SALINA, KS 67401 22-2333444	ONCOLOGY	KS	SCH	RELATED	0	0		No	0		No	51 %
HIGHLINE IMAGING LLC 275 SW 160TH ST BURIEN, WA 98166 20-0460005	DIAGNOSTIC IMAGING	WA	HMC	RELATED	375,761	1,784,057		No	0		No	80 %

Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(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? Yes	(h) No	(i) Code V-UBI amount in Box 20 of K-1 (Form 1065)	(j) General or Managing Partner? Yes	(j) No	(k) Percentage ownership
LAKESIDE AMBULATORY SURGICAL CENTER LLC 17031 LAKESIDE HILLS DR OMAHA, NE 68130 20-4267902	AMBUL SURG CTR	NE	ACH	RELATED	3,465,880	1,951,221		No	0		No	51 %
LAKESIDE ENDOSCOPY CENTER LLC 17001 LAKESIDE HILLS PLZ STE 201 OMAHA, NE 68130 20-5544496	ENDOSCOPY SRVC	NE	ACH	RELATED	1,455,294	1,013,126		No	0		No	52 28 %
LINCOLN CK LEASING LLC 6003 OLD CHENEY RD LINCOLN, NE 68516 26-2496856	REAL ESTATE	NE	SERMC	RELATED	574,064	425,034		No	0		No	53 76 %
LOUISVILLE SC LTD 3000 RIVERCHASE GALLERIA STE 500 BIRMINGHAM, AL 35244 06-2119566	SURGERY CENTER	AL	SCOFL	RELATED	417,359	478,373		No	0	Yes		61 1 %
NEBRASKA SPINE HOSPITAL LLC 6901 N 72ND ST OMAHA, NE 68122 27-0263191	SPINE HOSPITAL	NE	ACH	RELATED	10,501,730	17,301,869		No	0		No	51 %
NORTH RIVER SURGERY CENTER LLC 2209 WILDWOOD AVE SHERWOOD, AR 72120 71-0799771	AMBUL SURG CTR	AR	SVIMC	RELATED	81,071	1,077,536		No	0		No	57 45 %
ORTHOCOLORADO LLC 11650 WEST 2ND PLACE LAKEWOOD, CO 80255 37-1577105	ORTHO HOSPITAL	CO	THC	RELATED	1,846,183	8,411,844		No	0		No	60 %
PENINSULA RADIATION ONCOLOGY LLC 315 MLK JR WAY STE 111 TACOMA, WA 98405 87-0808610	HEALTHCARE SRVC	WA	FHS	RELATED	256,567	3,262,002		No	0		No	60 %
PENRAD IMAGING 1390 KELLY JOHNSON BLVD COLORADO SPRINGS, CO 80920 84-1072619	MEDICAL IMAGING	CO	CHIC	RELATED	715,094	3,489,436		No	0		No	70 %
PMC HOSPITAL LLC 4600 E SAM HOUSTON PKWY SOUTH PASADENA, TX 77505 27-3280598	HOSPITAL	TX	SL CDC-PMC	RELATED	1,092,540	20,751,174		No	0	Yes		51 %
PRAIRIE HEALTH VENTURES LLC 421 S 9TH ST STE 102 LINCOLN, NE 68508 20-4962103	TECH SRVC	NE	AH-IMC	RELATED	1,011,804	5,564,586		No	68,565	Yes		65 75 %
PREMIER SURGERY CENTER OF LOUISVILLE LP 3000 RIVERCHASE GALLERIA STE 500 BIRMINGHAM, AL 35244 72-1378216	SURGERY CENTER	AL	SCA	RELATED	88,900	254,399		No	0	Yes		51 %
PUEBLO AMBULATORY SURGERY CENTER LLC 188 INVERNESS DRIVE WEST 500 ENGLEWOOD, CO 80112 62-1488737	SURGERY CENTER	CO	CHIC	RELATED	0	0		No	0		No	51 %
SAINT JOSEPH - PAML LLC 424 LEWIS HARGETT CIRCLE STE 160 LEXINGTON, KY 40503 45-2116736	MGMT SVCS	KY	SJHS	RELATED	-52,573	93,769		No	0	Yes		62 5 %
SAINT JOSEPH - SCA HOLDINGS LLC 1451 HARRODSBURG RD LEXINGTON, KY 40503 45-3801157	OP SURGERY	DE	SJHS	RELATED	0	0		No	0	Yes		51 %

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SAINT JOSEPH-ANC HOME CARE SERVICES 1700 EDISON DR MILFORD, OH 45150 26-3330545	HOME HEALTH	KY	JH	RELATED	88,608	256,606		No	0		No	100 %
SCA PREMIER SURGERY CENTER OF LOUISVILLE LLC 200 ABRAHAM FLEXNER WAY LOUISVILLE, KY 40202 72-1386840	SURGERY CENTER	KY	JH	RELATED	42,319	631,595		No	0	Yes		51 %
ST FRANCIS LAND COMPANY 5390 N ACADEMY BLVD STE 300 COLORADO SPRINGS, CO 80918 26-3134100	REAL ESTATE	CO	CHIC	RELATED	-130,967	13,823,763		No	0		No	51 %
ST FRANCIS MEDICAL CENTER ASSOCIATES 1717 SOUTH J ST TACOMA, WA 98405 91-1352698	MED OFFICE	WA	FHS	RELATED	238,717	19,017,063		No	0		No	54 21 %
ST LUKE'S DIAGNOSTIC CATH LAB LLP 6620 MAIN ST STE 1520 HOUSTON, TX 77030 71-0959365	DIAGNOSTICS	TX	SLHS HOLDINGS	RELATED	273,448	868,814		No	0		No	57 3 %
ST LUKE'S HOSPITAL AT THE VINTAGE LLC 6624 FANNIN STE 2505 HOUSTON, TX 77030 26-3734516	HOSPITAL	TX	SLHS	RELATED	-19,253,743	69,158,748		No	0	Yes		51 %
ST LUKE'S LAKESIDE HOSPITAL LLC 6624 FANNIN STE 2505 HOUSTON, TX 77030 30-0427437	HOSPITAL	TX	SL CDC-W	RELATED	1,106,628	25,874,619		No	0	Yes		51 %
ST LUKE'S THE WOODLANDS SLEEP CENTER LLC 6624 FANNIN STE 800 HOUSTON, TX 77030 46-2795726	DIAGNOSTICS	TX	SLHSH	RELATED	0	0		No	0	Yes		50 %
SUPERIOR MEDICAL IMAGING LLC 5000 NORTH 26TH ST LINCOLN, NE 68521 26-2884555	OP DIAGNOSTICS	NE	SERMC	RELATED	-200,323	821,112		No	0	Yes		51 %
SURGERY CENTER OF LEXINGTON LLC 424 LEWIS HARGETT CIRCLE STE 160 LEXINGTON, KY 40503 62-1179539	SURGERY CENTER	DE	SJHS	RELATED	-200,318	4,079,584		No	0	Yes		51 %
SURGERY CENTER OF LOUISVILLE LLC 200 ABRAHAM FLEXNER WAY LOUISVILLE, KY 40202 62-1179537	SURGERY CENTER	KY	JH	RELATED	-15,452	396,101		No	0	Yes		51 %

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

(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
ALEGENT HEALTHCREIGHTON ST JOSEPH MANAGED CARE SERVICES INC 12809 WEST DODGE RD OMAHA, NE 68154 47-0802396	MANAGED CARE	NE	CHI NEBRASKA	C CORPORATION	5,312,313	4,520,865	100 %	Yes	
ALL SAINTS INSURANCE COMPANY SPC LTD	INSURANCE	CJ	CHI	C CORPORATION	0	43,866,961	100 %	Yes	
ALTERNATIVE INSURANCE MANAGEMENT SERVICE 3900 OLYMPIC BLVD STE 400 ERLANGER, KY 41018 84-1112049	MANAGEMENT SERVICES	CO	CHI	C CORPORATION	0	6,272,746	100 %	Yes	
AMERICAN NURSING CARE INC 1700 EDISON DR MILFORD, OH 45150 31-1085414	HOME HEALTH	OH	CHS	C CORPORATION	5,118,606	51,920,207	100 %	Yes	
AMERIMED INC 1700 EDISON DR MILFORD, OH 45150 31-1158699	HOME HEALTH	OH	ANC	C CORPORATION	2,134,392	14,669,219	100 %	Yes	
BC HOLDING COMPANY INC 1850 BLUEGRASS AVE LOUISVILLE, KY 40215 31-1542851	FITNESS CLUB	KY	JHSMH	C CORPORATION	0	0	100 %	Yes	
CADUCEUS MEDICAL ASSOCIATES INC 2525 DE SALES AVE CHATTANOOGA, TN 37404 62-1570736	HEALTHCARE	TN	MHCS	C CORPORATION	0	1,008	100 %	Yes	
CAPTIVE MANAGEMENT INITIATIVES LTD PO BOX 10073 APO GEORGETOWN, GRAND CAYMAN KY1-1001 CJ 98-0663022	CAPTIVE MANAGEMENT	CJ	CHI	C CORPORATION	0	0	100 %	Yes	
CARMONA-DESOTO BUILDING HORIZONTAL PROPERTY REGIME INC 300 WERNER ST HOT SPRINGS, AR 71913 71-0771076	HEALTHCARE	AR	CHI-SVHS	C CORPORATION	0	0	100 %	Yes	
CATHOLIC HEALTH INITIATIVES CENTER FOR TRANSLATIONAL RESEARCH 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 27-2269511	RESEARCH	CO	CIRI	TRUST	-2,286,538	1,241,259	100 %	Yes	
CGH REALTY COMPANY INC 2500 BERNVILLE RD READING, PA 19603 23-2326801	REAL ESTATE	PA	SJHM	C CORPORATION	0	0	100 %	Yes	
CHI ST LUKE'S HEALTH BAYLOR COLLEGE OF MEDICINE MEDICAL CENTER CONDO ASSOC 6624 FANNIN STE 2505 HOUSTON, TX 77030 45-5079545	CONDO ASSOC	TX	CHI-SLHBCM	C CORPORATION	0	0	100 %	Yes	
CLEARRIVER HEALTH 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 46-4495960	INSURANCE	TN	PHPSI	C CORPORATION	0	0	100 %	Yes	
COMCARE SERVICES INC 5570 DTC PARKWAY ENGLEWOOD, CO 80111 84-0904813	INACTIVE	CO	CHIC	C CORPORATION	0	0	100 %	Yes	
CONSOLIDATED HEALTH SERVICES 1700 EDISON DR MILFORD, OH 45150 31-1378212	HOME HEALTH	OH	CHI	C CORPORATION	-879,467	52,379,487	100 %	Yes	

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

(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
DES MOINES MEDICAL CENTER INC 1111 6TH AVE DES MOINES, IA 50314 42-0837382	REAL ESTATE	IA	CHI-IA CORP	C CORPORATION	67,314	1,064,032	92 98 %	Yes	
EAST TEXAS CLINICAL SERVICES INC 2801 VIA FORTUNA 500 AUSTIN, TX 78746 45-4736213	HEALTHCARE	TX	MHSET	C CORPORATION	632,545	16,782	100 %	Yes	
FIRST INITIATIVES INSURANCE LTD PO BOX 10073 APO GEORGETOWN, GRAND CAYMAN KY1-1001 CJ 98-0203038	INSURANCE	CJ	CHI	C CORPORATION	0	0	100 %	Yes	
FRANCISCAN SERVICES INC 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 23-2487967	HEALTHCARE	CO	CHI	C CORPORATION	434,854	718,254	100 %	Yes	
GOOD SAMARITAN OUTREACH SERVICES PO BOX 1990 KEARNEY, NE 68848 47-0659440	MEDICAL CLINIC	NE	CHI NEBRASKA	C CORPORATION	-7,280	180,468	100 %	Yes	
HEALTH SYSTEMS ENTERPRISES INC PO BOX 1990 KEARNEY, NE 68848 47-0664558	MGMT	NE	GSH	C CORPORATION	87,278	1,377,820	100 %	Yes	
HEALTHCARE MGMT SERVICES ORGANIZATION INC 1717 SOUTH J ST TACOMA, WA 98405 91-1865474	HEALTH ORG	WA	FHS	C CORPORATION	0	0	100 %	Yes	
HEARTLANDPLAINS HEALTH 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 46-4368223	INSURANCE	NE	PHPSI	C CORPORATION	0	0	100 %	Yes	
HIGHLINE MEDICAL GROUP 15811 AMBAUM BLVD SW STE 170 BURIEN, WA 98166 91-1586438	MEDICAL SERVICES	WA	HMC	C CORPORATION	-6,049,147	5,689,139	100 %	Yes	
MEDQUEST 1602 WEST 11TH ST WILLISTON, ND 58801 45-0392137	SALE OF DME	ND	MMC WILLISTON	C CORPORATION		1,152,715	100 %	Yes	
MERCY PARK APARTMENTS LTD 1111 6TH AVE DES MOINES, IA 50314 42-1202422	HOUSING	IA	CHI-IA CORP	C CORPORATION	273,525	1,937,218	100 %	Yes	
MERCY SERVICES CORP 2700 STEWART PARKWAY ROSEBURG, OR 97471 93-0824308	RETAIL SALES	OR	MMC	C CORPORATION	0	142,337	100 %	Yes	
MHI CLINICAL SERVICES 1201 W FRANK AVE LUFKIN, TX 75904 46-1967952	HEALTHCARE	TX	MHSET	C CORPORATION	0	0	100 %	Yes	
MOUNTAIN MANAGEMENT SERVICES INC 6028 SHALLOWFORD RD CHATTANOOGA, TN 37421 62-1570739	MGMT SVC ORG	TN	MHCS	C CORPORATION	96,044	6,465,179	100 %	Yes	
NAZARETH ASSURANCE COMPANY PO BOX 10073 APO GEORGETOWN, GRAND CAYMAN KY1-1001 CJ 03-0304831	INSURANCE	CJ	CHI	C CORPORATION	0	0	100 %	Yes	

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PATIENT TRANSPORT SERVICES INC 1700 EDISON DR MILFORD, OH 45150 31-1100798	HOME HEALTH	OH	ANC	C CORPORATION	-164,340	5,488,275	100 %	Yes	
PHYSICIANHEALTH SYSTEM NETWORK 1149 MARKET ST TACOMA, WA 98402 91-1746721	HEALTH ORG	WA	FHS	C CORPORATION	0	0	100 %	Yes	
PROMINENCE HEALTH PLAN SERVICES INC (FKA COLLABHEALTH PLAN SERVICES INC) 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 46-1224037	ADMIN SERVICES	CO	PHI	C CORPORATION	-5,339,325	38,272,608	100 %	Yes	
PROMINENCE HEALTH INC (FKA COLLABHEALTH MANAGED SOLUTIONS INC) 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 46-1222808	HOLDING CO	CO	CHI	C CORPORATION	0	23,806,707	100 %	Yes	
QCA HEALTH PLAN INC 12615 CHENAL PARKWAY STE 300 LITTLE ROCK, AR 72211 71-0794605	INSURANCE	AR	QCHI	C CORPORATION	0	0	100 %	Yes	
QUALCHOICE HOLDINGS INC 12615 CHENAL PARKWAY STE 300 LITTLE ROCK, AR 72211 27-4075520	HOLDING CO	AR	PHPS	C CORPORATION	0	0	100 %	Yes	
QUALCHOICE LIFE AND HEALTH INSURANCE COMPANY INC 12615 CHENAL PARKWAY STE 300 LITTLE ROCK, AR 72211 71-0386640	INSURANCE	AR	QCH	C CORPORATION	0	0	100 %	Yes	
RIVERLINK HEALTH 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 46-4380824	INSURANCE	OH	PHPS	C CORPORATION	0	0	100 %	Yes	
RIVERLINK HEALTH OF KENTUCKY INC 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 46-4828332	INSURANCE	KY	PHPS	C CORPORATION	0	0	100 %	Yes	
SAINT CLARE'S PRIMARY CARE INC 66 FORD RD DENVILLE, NJ 07834 22-2441202	BILLING SERVICES	NJ	SCCC	C CORPORATION	-235,604	1,361,242	100 %	Yes	
SAMARITAN FAMILY CARE INC 40 W FOURTH ST STE 1700 DAYTON, OH 45402 31-1299450	HEALTHCARE	OH	SHP	C CORPORATION	0	0	100 %	Yes	
SJH SERVICES CORPORATION 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 23-2307408	HEALTHCARE	CO	FSI	C CORPORATION	-197,039	3,331,737	100 %	Yes	
SJL PHYSICIAN MANAGEMENT SERVICES INC 424 LEWIS HARGETT CR STE 160 LEXINGTON, KY 40503 27-0164198	MGMT	KY	SJHS	C CORPORATION	0	0	100 %	Yes	
SLMT PARKING INC 6624 FANNIN STE 800 HOUSTON, TX 77030 76-0637140	PARKING	TX	SLHS	C CORPORATION	1,117,934	13,768,221	100 %	Yes	
SOUNDPATH HEALTH INC 32129 WEYERHAEUSER WAY S STE 201 FEDERAL WAY, WA 98001 42-1720801	INSURANCE	WA	PHPS	C CORPORATION	-154,741	10,976,973	62 6 %	Yes	

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ST ANTHONY DEVELOPMENT COMPANY 1415 SOUTHGATE PENDLETON, OR 97801 93-1216943	ATHLETIC CLUB	OR	SAH	C CORPORATION	114,663	2,936,102	100 %	Yes	
ST JOSEPH DEVELOPMENT COMPANY INC 1717 SOUTH J ST TACOMA, WA 98405 91-1480569	RENTAL	WA	FSI	C CORPORATION	63,164	11,845,439	100 %	Yes	
ST JOSEPH OFFICE PARK ASSOCIATION 1401 HARRODSBURG RD BLDG B70 LEXINGTON, KY 40504 61-1079899	MGMT	KY	SJHS	C CORPORATION	0	882,139	85 %	Yes	
ST LUKE'S 6620 MAIN CONDOMINIUM ASSOCIATION 6624 FANNIN STE 2505 HOUSTON, TX 77030 30-0355517	CONDO ASSOC	TX	SLPC	C CORPORATION	0	0	100 %	Yes	
ST LUKE'S ANESTHESIOLOGY ASSOCIATES 6624 FANNIN STE 1100 HOUSTON, TX 77030 46-1517163	MEDICAL CLINIC	TX	CHI-SLH	C CORPORATION	0	0	100 %	Yes	
ST LUKE'S EPISCOPAL HOSPITAL PHYSICIAN HOSPITAL ORGANIZATION INC 6720 BERTNER MC4-262 HOUSTON, TX 77030 76-0377932	PHO	TX	CHI-SLH	C CORPORATION	6	0	60 %	Yes	
ST LUKE'S HEALTH SYSTEM HOLDINGS INC (FKA SLEHS HOLDINGS INC) 6624 FANNIN STE 800 HOUSTON, TX 77030 76-0637138	HOLDING CO	TX	SLHS	C CORPORATION	1,425,313	33,114,103	100 %	Yes	
ST LUKE'S MEDICAL ARTS CENTER I CONDOMINIUM ASSOCIATION 6624 FANNIN STE 2505 HOUSTON, TX 77030 30-0355518	CONDO ASSOC	TX	SLPC	C CORPORATION	0	0	100 %	Yes	
ST LUKE'S MEDICAL TOWER CONDOMINIUM ASSOCIATION 6624 FANNIN STE 2505 HOUSTON, TX 77030 76-0298751	CONDO ASSOC	TX	SLMTC	C CORPORATION	0	0	100 %	Yes	
ST VINCENT COMMUNITY HEALTH SERVICES INC TWO ST VINCENT CIRCLE LITTLE ROCK, AR 72205 71-0710785	HEALTHCARE	AR	SVIMC	C CORPORATION	2,408,638	15,225,732	100 %	Yes	
STABLEVIEW HEALTH INC 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 46-4373713	INSURANCE	KY	PHPS	C CORPORATION	0	0	100 %	Yes	
SUGAR LAND DOCTOR GROUP 1317 LAKE POINTE PARKWAY SUGAR LAND, TX 77478 45-4270163	MEDICAL CLINIC	TX	SLCDC-SL	C CORPORATION	0	0	100 %	Yes	
THE TEXAS HEART INSTITUTE AT ST LUKE'S EPISCOPAL HOSPITAL DENTON A COOLEY B UILDING COMDOMINIUM ASSOCIATION 6624 FANNIN STE 2505 HOUSTON, TX 77030 90-0064009	CONDO ASSOC	TX	CHI-SLH	C CORPORATION	0	0	100 %	Yes	
TOWSON MANAGEMENT INC 7601 OSLER DR TOWSON, MD 21204 52-1710750	MGMT SERVICES	MD	FSI	C CORPORATION	516,457	197,196	100 %	Yes	

CONSOLIDATED FINANCIAL STATEMENTS AND
REPORTS ON FEDERAL AWARD PROGRAMS

Catholic Health Initiatives
Year Ended June 30, 2014
With Reports of Independent Auditors

Ernst & Young LLP

Building a better
working world

Catholic Health Initiatives

Consolidated Financial Statements and Reports on Federal Award Programs

Year Ended June 30, 2014

Contents

Report of Independent Auditors

The Board of Stewardship Trustees
Catholic Health Initiatives

We have audited the accompanying consolidated financial statements of Catholic Health Initiatives, which comprise the consolidated balance sheets as of June 30, 2014 and 2013, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Building a better working world

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Catholic Health Initiatives at June 30, 2014 and 2013, and the consolidated results of its operations and its cash flows for the years then ended, in conformity with U S generally accepted accounting principles

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated September 17, 2014, on our consideration of Catholic Health Initiatives' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Catholic Health Initiatives' internal control over financial reporting and compliance

Ernst + Young LLP

September 17, 2014

Catholic Health Initiatives

Consolidated Balance Sheets
(In Thousands)

	June 30	
	2014	**2013**
Assets		
Current assets		
Cash and equivalents	**$ 1,042,748**	$ 609,226
Net patient accounts receivable, less allowances for bad debt of $924,395 and $858,394 at 2014 and 2013, respectively	**1,997,468**	1,755,348
Other accounts receivable	**286,673**	197,917
Current portion of investments and assets limited as to use	**24,732**	11,697
Inventories	**271,664**	247,720
Assets held for sale	**202,066**	215,777
Prepaid and other	**197,668**	137,776
Total current assets	**4,023,019**	3,175,461
Investments and assets limited as to use		
Internally designated for capital and other funds	**5,310,967**	5,452,023
Mission and ministry fund	**137,099**	121,109
Capital resource pool	**515,338**	416,938
Held by trustees	**53,574**	16,726
Held for insurance purposes	**828,078**	825,885
Restricted by donors	**296,472**	266,325
Total investments and assets limited as to use	**7,141,528**	7,099,006
Property and equipment, net	**8,942,520**	7,786,240
Deferred financing costs	**43,074**	36,557
Investments in unconsolidated organizations	**608,088**	416,816
Intangible assets and goodwill, net	**553,462**	364,751
Notes receivable and other	**500,886**	430,888
Total assets	**$ 21,812,577**	$ 19,309,719

	June 30	
	2014	**2013**
Liabilities and net assets		
Current liabilities		
Compensation and benefits	**$ 679,575**	$ 600,837
Third-party liabilities, net	**123,804**	110,571
Accounts payable and accrued expenses	**1,446,233**	1,066,930
Liabilities held for sale	**104,117**	91,412
Variable-rate debt with self liquidity	**521,455**	321,455
Commercial paper and current portion of debt	**711,408**	749,617
Total current liabilities	**3,586,592**	2,940,822
Pension liability	**496,358**	472,852
Self-insured reserves and claims	**634,718**	616,652
Other liabilities	**831,615**	698,283
Long-term debt	**7,146,399**	6,334,985
Total liabilities	**12,695,682**	11,063,594
Net assets		
Net assets attributable to CHI	**8,289,188**	7,769,310
Net assets attributable to noncontrolling interests	**469,296**	175,663
Unrestricted	**8,758,484**	7,944,973
Temporarily restricted	**265,639**	214,524
Permanently restricted	**92,772**	86,628
Total net assets	**9,116,895**	8,246,125
Total liabilities and net assets	**$ 21,812,577**	$ 19,309,719

See accompanying notes.

Catholic Health Initiatives

Consolidated Statements of Operations

(In Thousands)

	Year Ended June 30	
	2014	**2013**
Revenues		
Net patient services revenues before provision for doubtful accounts	$ **13,372,955**	$ 10,714,455
Provision for doubtful accounts	**(965,711)**	(821,465)
Net patient services revenues	**12,407,244**	9,892,990
Nonpatient		
Donations	**32,366**	31,089
Changes in equity of unconsolidated organizations	**26,922**	19,056
Investment income used for operations	**101,874**	66,529
Gains on business combinations	**421,955**	76,425
Hospital nonpatient revenues	**294,021**	209,413
Insurance premium revenues	**171,465**	50,503
Other	**432,826**	362,220
Total nonpatient revenues	**1,481,429**	815,235
Total operating revenues	**13,888,673**	10,708,225
Expenses		
Salaries and wages	**5,554,984**	4,424,404
Employee benefits	**1,072,850**	970,824
Purchased services, medical professional fees, consulting and legal	**1,945,579**	1,361,778
Supplies	**2,346,879**	1,832,984
Utilities	**197,479**	152,979
Rentals, leases, maintenance and insurance	**875,833**	616,683
Depreciation and amortization	**698,772**	555,064
Interest	**235,440**	164,353
Other	**857,334**	624,756
Total operating expenses before restructuring, impairment and other losses	**13,785,150**	10,703,825
Income from operations before restructuring, impairment and other losses	**103,523**	4,400
Restructuring, impairment, and other losses	**117,514**	59,343
Loss from operations	**(13,991)**	(54,943)
Nonoperating gains (losses)		
Investment income, net	**748,374**	488,824
Loss on defeasance of bonds	**(5,625)**	(17,998)
Realized and unrealized (losses) gains on interest rate swaps	**(39,424)**	65,843
Other nonoperating (losses) gains	**(55,367)**	7,977
Total nonoperating gains	**647,958**	544,646
Excess of revenues over expenses	**633,967**	489,703
Deficit of revenues over expenses attributable to noncontrolling interest	**5,686**	37
Excess of revenues over expenses attributable to CHI	$ **639,653**	$ 489,740

See accompanying notes

Catholic Health Initiatives

Consolidated Statements of Changes in Net Assets
(In Thousands)

	Unrestricted Net Assets					
	Attributable to CHI	**Attributable to Noncontrolling Interests**	**Total**	**Temporarily Restricted Net Assets**	**Permanently Restricted Net Assets**	**Total Net Assets**
Balances, July 1, 2012	$ 6,922,466	$ 180,863	$ 7,103,329	$ 136,821	$ 68,033	$ 7,308,183
Excess of revenues over expenses	489,740	(37)	489,703	–	–	489,703
Net loss from discontinued operations	(108,594)	–	(108,594)	–	–	(108,594)
Decrease in pension funded status	483,468	2,082	485,550	–	–	485,550
Temporarily and permanently restricted contributions	–	–	–	33,056	(1,554)	31,502
Net assets released from restriction for capital	15,791	–	15,791	(15,791)	–	–
Net assets released from restriction for operations	–	–	–	(15,728)	–	(15,728)
Investment (loss) income	(45)	–	(45)	5,393	1,280	6,628
Temporarily and permanently restricted assets from acquisitions	–	–	–	74,253	19,171	93,424
Other changes in net assets	(33,516)	(7,245)	(40,761)	(3,480)	(302)	(44,543)
Net increase (decrease) in net assets	846,844	(5,200)	841,644	77,703	18,595	937,942
Balances, June 30, 2013	**7,769,310**	**175,663**	**7,944,973**	**214,524**	**86,628**	**8,246,125**
Excess of revenues over expenses	**639,653**	**(5,686)**	**633,967**	**–**	**–**	**633,967**
Net loss from discontinued operations	**(14,768)**	**–**	**(14,768)**	**–**	**–**	**(14,768)**
Increase in pension funded status	**(47,282)**	**(809)**	**(48,091)**	**–**	**–**	**(48,091)**
Temporarily and permanently restricted contributions	**–**	**–**	**–**	**50,957**	**523**	**51,480**
Net assets released from restriction for capital	**20,776**	**–**	**20,776**	**(20,776)**	**–**	**–**
Net assets released from restriction for operations	**–**	**–**	**–**	**(17,887)**	**–**	**(17,887)**
Investment (loss) income	**(40)**	**–**	**(40)**	**14,701**	**2,218**	**16,879**
Temporarily and permanently restricted assets from acquisitions	**–**	**–**	**–**	**24,197**	**2,003**	**26,200**
Noncontrolling interest issued	**–**	**286,125**	**286,125**	**12,600**	**–**	**298,725**
Other changes in net assets	**(78,461)**	**14,003**	**(64,458)**	**(12,677)**	**1,400**	**(75,735)**
Net increase in net assets	**519,878**	**293,633**	**813,511**	**51,115**	**6,144**	**870,770**
Balances, June 30, 2014	**$ 8,289,188**	**$ 469,296**	**$ 8,758,484**	**$ 265,639**	**$ 92,772**	**$ 9,116,895**

See accompanying notes

Catholic Health Initiatives

Consolidated Statements of Cash Flows
(In Thousands)

	Year Ended June 30	
	2014	**2013**
Operating activities		
Increase in net assets	$ **870,770**	$ 937,942
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	**698,772**	555,064
Provision for bad debts	**965,711**	821,465
Changes in equity of unconsolidated organizations	**(26,922)**	(19,056)
Net gains on business combinations	**(421,955)**	(76,425)
Net gains on sales of facilities and investments in unconsolidated organizations	**(17,116)**	(9,544)
Noncash operating expenses related to restructuring, impairment and other losses	**85,709**	4,872
Loss on defeasance of bonds	**5,625**	17,998
Increase in fair value of interest rate swaps	**(10,200)**	(98,799)
Decrease in unfunded pension liability	**(1,488)**	(484,049)
Net changes in current assets and liabilities		
Net patient and other accounts receivable	**(1,147,685)**	(1,067,716)
Other current assets	**(55,976)**	(6,725)
Current liabilities	**278,147**	89,868
Noncontrolling interest issued	**(298,725)**	–
Other changes	**(604)**	193,461
Net cash provided by operating activities, before net change in investments, and assets limited as to use	**924,063**	858,356
Net decrease in investments and assets limited as to use	**239,686**	474,258
Net cash provided by operating activities	**1,163,749**	1,332,614
Investing activities		
Purchases of property, equipment and other capital assets	**(1,478,741)**	(1,285,330)
Net cash on contributions and acquisitions	**70,851**	67,696
Purchase of CHI St. Vincent Hot Springs, net of cash acquired	**(59,571)**	–
Purchase of CHI St. Luke's Health System, net of cash acquired	–	(961,014)
Purchase of Alegent Creighton Health, net of cash acquired	–	(505,542)
Net cash proceeds from asset sales	**71,639**	218,002
Distributions from investments in unconsolidated organizations	**45,991**	35,224
Cash from net repayments of notes receivable	**12,004**	2,843
Other changes	**19,715**	35,306
Net cash used in investing activities	**(1,318,112)**	(2,392,815)
Financing activities		
Proceeds from issuance of debt and bank loans	**1,899,065**	1,591,465
Costs associated with issuance of debt	**(11,354)**	(12,170)
Repayment of debt	**(1,299,826)**	(313,840)
Proceeds from bank loans	–	–
Net cash provided by financing activities	**587,885**	1,265,455
Increase in cash and equivalents	**433,522**	205,254
Cash and equivalents at beginning of year	**609,226**	403,972
Cash and equivalents at end of year	$ **1,042,748**	$ 609,226
Supplemental disclosures of cash flow information		
Cash paid during the year for interest, including amounts capitalized	$ **272,627**	$ 199,413

See accompanying notes.

1. Summary of Significant Accounting Policies

Organization

Catholic Health Initiatives (CHI), established in 1996, is a tax-exempt Colorado corporation and has been granted an exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code CHI sponsors market-based organizations (MBO) and other facilities operating in 18 states and includes 92 hospitals, including four academic medical centers, and 24 critical access facilities, community health service organizations, accredited nursing colleges, home health agencies, and other facilities that span the inpatient and outpatient continuum of care CHI also has an offshore captive insurance company, First Initiatives Insurance, Ltd (FIIL)

The mission of CHI is to nurture the healing ministry of the Church, supported by education and research Fidelity to the Gospel urges CHI to emphasize human dignity and social justice as CHI creates healthier communities

Principles of Consolidation

CHI consolidates all direct affiliates in which it has sole corporate membership or ownership (Direct Affiliates) and all entities in which it has greater than 50% equity interest with commensurate control All significant intercompany accounts and transactions are eliminated in consolidation

Fair Value of Financial Instruments

Financial instruments consist primarily of cash and equivalents, patient accounts receivable, notes receivable and accounts payable The carrying amounts reported in the consolidated balance sheets for these items approximate fair value

1. Summary of Significant Accounting Policies (continued)

Cash and Equivalents

Cash and equivalents include all deposits with banks and investments in interest-bearing securities with maturity dates of 90 days or less from the date of purchase In addition, cash and equivalents include deposits in short-term funds held by professional managers The funds generally invest in high-quality, short-term debt securities, including U S government securities, securities issued by domestic and foreign banks, such as certificates of deposit and bankers' acceptances, repurchase agreements, asset-backed securities, high-grade commercial paper and corporate short-term obligations

Net Patient Accounts Receivable and Net Patient Services Revenues

Net patient accounts receivable has been adjusted to the estimated amounts expected to be collected These estimated amounts are subject to further adjustments upon review by third-party payors

The provision for bad debts is based upon management's assessment of historical and expected net collections, taking into consideration historical business and economic conditions, trends in health care coverage, and other collection indicators Management routinely assesses the adequacy of the allowances for uncollectible accounts based upon historical write-off experience by payor category The results of these reviews are used to modify, as necessary, the provision for bad debts and to establish appropriate allowances for uncollectible net patient accounts receivable After satisfaction of amounts due from insurance, CHI follows established guidelines for placing certain patient balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by each facility The provision for bad debts is presented on the consolidated statements of operations as a deduction from patient services revenues (net of contractual allowances and discounts) since CHI accepts and treats substantially all patients without regard to the ability to pay

During fiscal year 2014 and 2013, CHI added approximately $76 million and $400 million, respectively, in net patient accounts receivable due to the acquisition of various new subsidiaries – see Note 4, *Acquisitions, Affiliations and Divestitures* Effective on January 1, 2014, the Affordable Care Act came into effect, which in certain states has caused a slight shift in payor mix whereby patients that used to be classified as charity now qualify for Medicaid CHI has not experienced significant changes in write-off trends and there have been no significant changes to its charity care policy

1. Summary of Significant Accounting Policies (continued)

Details of CHI's allowance activity is as follows (in thousands)

	Reserve for Contractual Allowance	Allowance for Bad Debt	Reserve for Charity	Total Accounts Receivable Allowances
Balance at July 1, 2012	$ (1,947,750)	$ (687,631)	$ (151,348)	$ (2,786,729)
Additions	(21,690,860)	(886,571)	(1,219,555)	(23,796,986)
Reductions	20,778,640	715,808	803,787	22,298,235
Balance at June 30, 2013	(2,859,970)	(858,394)	(567,116)	(4,285,480)
Additions	**(28,747,136)**	**(1,029,699)**	**(1,135,618)**	**(30,912,453)**
Reductions	**28,079,966**	**963,698**	**1,271,588**	**30,315,252**
Balance at June 30, 2014	**$ (3,527,140)**	**$ (924,395)**	**$ (431,146)**	**$ (4,882,681)**

CHI records net patient services revenues in the period in which services are performed CHI has agreements with third-party payors that provide for payments at amounts different from its established rates The basis for payment under these agreements includes prospectively determined rates, cost reimbursement and negotiated discounts from established rates, and per diem payments

Net patient services revenues are reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments due to future audits, reviews and investigations, and excluding estimated amounts considered uncollectible The differences between the estimated and actual adjustments are recorded as part of net patient services revenues in future periods, as the amounts become known, or as years are no longer subject to such audits, reviews and investigations

Investments and Assets Limited as to Use

Investments and assets limited as to use include assets set aside by CHI for future long-term purposes, including capital improvements and self-insurance In addition, assets limited as to use include amounts held by trustees under bond indenture agreements, amounts contributed by donors with stipulated restrictions and amounts held for Mission and Ministry programs

1. Summary of Significant Accounting Policies (continued)

CHI has designated its investment portfolio as trading Accordingly, unrealized gains and losses on marketable securities are reported within excess of revenues over expenses In addition, cash flows from the purchases and sales of marketable securities are reported as a component of operating activities in the accompanying consolidated statements of cash flows

Direct investments in equity securities with readily determinable fair values and all direct investments in debt securities have been measured at fair value in the accompanying consolidated balance sheets Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in excess of revenues over expenses unless the income or loss is restricted by donor or law

Investments in limited partnerships and limited liability companies are recorded using the equity method of accounting (which approximates fair value as determined by the net asset values of the related unitized interests) with the related changes in value in earnings reported as investment income in the accompanying consolidated financial statements

Inventories

Inventories, primarily consisting of pharmacy drugs, and medical and surgical supplies, are stated at lower of cost (first-in, first-out method) or market

Assets and Liabilities Held for Sale

A long-lived asset or disposal group of assets and liabilities that is expected to be sold within one year is classified as held for sale For long-lived assets held for sale, an impairment charge is recorded if the carrying amount of the asset exceeds its fair value less costs to sell Such valuations include estimates of fair values generally based upon firm offers, discounted cash flows and incremental direct costs to transact a sale (Level 2 and Level 3 inputs)

Property and Equipment

Property and equipment are stated at historical cost or, if donated or impaired, at fair value at the date of receipt or impairment Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method During fiscal year 2014, CHI conducted a study to reassess the estimated remaining useful lives of its buildings and building improvements As a result of this study, CHI prospectively adjusted the estimated

1. Summary of Significant Accounting Policies (continued)

remaining useful lives of these assets, which resulted in a reduction to depreciation expense of $23 5 million in 2014 Buildings and improvements are depreciated over estimated useful lives of 5 to 84 years, and equipment and land improvements over 3 to 40 years

For property and equipment under capital lease, amortization is determined over the shorter period of the lease term or the estimated useful life of the property and equipment Interest cost incurred during the period of construction of major capital projects is capitalized as a component of the cost of acquiring those assets Capitalized interest of $44 7 million and $30 4 million was recorded in fiscal years 2014 and 2013, respectively Costs incurred in the development and installation of internal-use software are typically expensed if they are incurred in the preliminary project stage or post-implementation stage, while certain costs are capitalized if incurred during the application development stage Amounts capitalized are amortized over the useful life of the developed asset following project completion

Investments in Unconsolidated Organizations

Investments in unconsolidated organizations are accounted for under the cost or equity method of accounting, as appropriate, based on the relative percentage of ownership or degree of influence over that organization The income or loss on the equity method investments is recorded in the consolidated statements of operations as changes in equity of unconsolidated organizations

Intangible Assets and Goodwill

Intangible assets are comprised primarily of trade names, which are amortized over the estimated useful lives ranging from 10 to 25 years using the straight-line method Amortization expense of $7 9 million and $5 2 million was recorded in 2014 and 2013, respectively It is estimated that intangible asset amortization expense over the next five years will be $10 0 million per year

Goodwill is not amortized but is subject to annual impairment tests as well as more frequent reviews whenever circumstances indicate a possible impairment may exist Impairment testing of goodwill is done at the MBO level by comparing the fair value of the MBO's net assets against the carrying value of the MBO's net assets, including goodwill Each MBO is defined as a reporting unit for purposes of impairment testing The fair value of net assets is generally estimated based on quantitative analysis of discounted cash flows The fair value of goodwill is determined by assigning fair values to assets and liabilities and calculating any remaining fair

1. Summary of Significant Accounting Policies (continued)

value as the implied fair value of goodwill As a result of its impairment testing in fiscal year 2014, CHI determined that the implied fair value of one of its MBO's goodwill was less than the carrying value A goodwill impairment charge of $15 0 million is reflected in the consolidated statements of operations for fiscal year 2014

The changes in the carrying amount of goodwill and intangibles is as follows (in thousands)

	2014	2013
Intangible assets, beginning of year	**$ 97,684**	$ 52,834
Current year acquisitions	**130,124**	43,600
Purchase price allocation adjustments for prior year's acquisitions and other adjustments	**(11,970)**	1,250
Intangible assets, end of year	**215,838**	97,684
Accumulated amortization, beginning of year	**(25,467)**	(20,297)
Intangible amortization expense	**(7,931)**	(5,254)
Other adjustments	**8,169**	84
Accumulated amortization, end of year	**(25,229)**	(25,467)
Intangible assets, net	**190,609**	72,217
Goodwill, beginning of year	**292,534**	130,343
Current year acquisitions	**16,725**	146,142
Impairments	**(15,040)**	–
Purchase price allocation adjustments for prior year's acquisitions and other adjustments	**68,634**	16,049
Goodwill, end of year	**362,853**	292,534
Total intangible assets and goodwill, net	**$ 553,462**	$ 364,751

Intangible assets and goodwill increased during fiscal year 2014, due to the various acquisitions discussed in Note 4, *Acquisitions, Affiliations and Divestitures* During fiscal year 2014, certain adjustments to the 2013, purchase price allocations were recorded to intangible and goodwill, including the correction to the values assigned to various CHI St Luke Medical Center buildings, resulting in a $78 5 million increase in goodwill

1. Summary of Significant Accounting Policies (continued)

Notes Receivable and Other Assets

Other assets consist primarily of notes receivable, pledges receivable, deferred compensation assets, prepaid service contracts, deposits and other long-term assets Notes receivable from related entities at June 30, 2014 and 2013, include balances from Bethesda Hospital, Inc (Bethesda), the non-CHI joint operating agreement (JOA) partner in the Cincinnati, Ohio JOA

A summary of notes receivable and other assets is as follows as of June 30 (in thousands)

	2014	2013
Total notes receivable from related entities	**$ 175,466**	$ 188,275
Reinsurance recoverable on unpaid losses and loss adjustment expense	**29,109**	71,801
Deferred compensation assets	**51,684**	41,014
Other long-term assets	**244,627**	129,798
Total notes receivable and other	**$ 500,886**	$ 430,888

Bethesda is a Designated Affiliate in the CHI credit group under the Capital Obligation Document (COD) As conditions of joining the CHI credit group, Bethesda has agreed to certain covenants related to corporate existence, insurance coverage, exempt use of bond-financed facilities, maintenance of certain financial ratios, and compliance with limitations on the incurrence of additional debt Based upon management's review of the creditworthiness of Bethesda and its compliance with the covenants and limitations, no allowances for uncollectible notes receivable were recorded at June 30, 2014 and 2013

Net Assets

Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose Permanently restricted net assets consist of gifts with corpus values that have been restricted by donors to be maintained in perpetuity, including endowment funds Temporarily restricted net assets and earnings on permanently restricted net assets, including earnings on endowment funds, are used in accordance with the donor's wishes primarily to purchase equipment, to provide charity care, and to provide other health and educational programs and services

1. Summary of Significant Accounting Policies (continued)

Unconditional promises to receive cash and other assets are reported at fair value at the date the promise is received Conditional promises and indications of donors' intentions to give are reported at fair value at the date the conditions are met or the gifts are received All unrestricted contributions are included in the excess of revenue over expenses as donation revenues Other gifts are reported as either temporarily or permanently restricted if they are received with donor stipulations that limit the use of the donated assets When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as donations revenue when restricted for operations or as unrestricted net assets when restricted for property and equipment

Performance Indicator

The performance indicator is the excess of revenues over expenses, which includes all changes in unrestricted net assets other than changes in the pension liability funded status, net assets released from restrictions for property acquisitions, the cumulative effect of changes in accounting principles, discontinued operations, contributions of property and equipment, and other changes not required to be included within the performance indicator under generally accepted accounting principles

Operating and Nonoperating Activities

CHI's primary mission is to meet the health care needs in its market areas through a broad range of general and specialized health care services, including inpatient acute care, outpatient services, physician services, long-term care, and other health care services Activities directly associated with the furtherance of this purpose are considered to be operating activities Earnings from fixed-income investments held by FIIL are also classified within operating activities as such earnings support FIIL operations Other activities that result in gains or losses peripheral to CHI's primary mission are considered to be nonoperating Nonoperating activities include all other investment earnings, gains/losses from bond defeasance, net interest cost and changes in fair value of interest rate swaps, and the nonoperating component of JOA income share adjustments Any infrequent and nonreciprocal contribution that CHI would make to enter a new market community or to expand upon existing affiliations is also classified as nonoperating

1. Summary of Significant Accounting Policies (continued)

Charity Care

As an integral part of its mission, CHI accepts and treats all patients without regard to the ability to pay Services to patients are classified as charity care in accordance with standards established across all MBOs Charity care represents services rendered for which partial or no payment is expected, and includes the cost of providing services to persons who cannot afford health care due to inadequate resources and/or who are uninsured or underinsured CHI determines the cost of charity care on the basis of an MBO's total cost as a percentage of total charges applied to the charges incurred by patients qualifying for charity care under CHI's policy This amount is not included in net patient services revenues in the accompanying consolidated statements of operations and changes in net assets The estimated cost of charity care provided was $255 2 million and $320 7 million in 2014 and 2013, respectively, for continuing operations, and $1 9 million and $2 0 million in 2014 and 2013, respectively, for discontinued operations The decline in charity care provided was due primarily to changes in payor mix as a result of the Affordable Care Act

Other Nonpatient Revenues

Other nonpatient revenues include services sold to external health care providers, gains on acquisitions of subsidiaries, cafeteria sales, rental income, retail pharmacy and durable medical equipment sales, auxiliary and gift shop revenues, electronic health records incentive payments, gains and losses on the sales of assets, the operating portion of revenue-sharing income or expense associated with Direct Affiliates that are part of JOAs, premium revenues, and revenues from other miscellaneous sources

Derivative and Hedging Instruments

CHI uses derivative financial instruments (interest rate swaps) in managing its capital costs These interest rate swaps are recognized at fair value on the consolidated balance sheets CHI has not designated its interest rate swaps related to CHI's long-term debt as hedges The net interest cost and change in the fair value of such interest rate swaps is recognized as a component of nonoperating (losses) gains in the accompanying consolidated statements of operations It is CHI's policy to net the value of collateral on deposit with counterparties against the fair value of its interest rate swaps in other liabilities on the consolidated balance sheets

1. Summary of Significant Accounting Policies (continued)

Functional Expenses

CHI provides health care services, including inpatient, outpatient, ambulatory, long-term care and community-based services to individuals within the various geographic areas supported by its facilities Support services include administration, finance and accounting, information technology, public relations, human resources, legal, mission services and other functions that are supported centrally for all of CHI Support services expenses as a percentage of total operating expenses were approximately 6 2% and 4 5% in 2014 and 2013, respectively

Restructuring, Impairment, and Other Losses

CHI periodically evaluates property, equipment, goodwill, and certain other intangible assets to determine whether assets may have been impaired Management determined there were certain goodwill impairments in 2014, and certain property and equipment impairments in both 2014 and 2013, to the extent that the fair values (estimated based upon discounted cash flows – Level 3 inputs) of those assets were less than the underlying carrying values

During the years ended June 30, 2014 and 2013, CHI recorded total charges of $117 5 million and $155 3 million, respectively, relating to asset and goodwill impairments, and changes in business operations, including reorganization and severance costs Of this amount, $117 5 million and $59 3 million were from continuing operations and reported in the consolidated statements of operations for 2014 and 2013, respectively, and $96 0 million was reported as discontinued operations in the consolidated statements of changes in net assets for 2013 No restructuring or impairment was recorded in 2014, for the discontinued operations

Income Taxes

CHI is a tax-exempt Colorado corporation and has been granted an exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code CHI owns certain taxable subsidiaries and engages in certain activities that are unrelated to its exempt purpose and therefore subject to income tax

Management reviews its tax positions annually and has determined that there are no material uncertain tax positions that require recognition in the accompanying consolidated financial statements

1. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses Actual results could vary from the estimates

Meaningful Use of Certified Electronic Health Record Technology Incentive Payments

The American Recovery and Reinvestment Act of 2009 provides for Medicare and Medicaid incentive payments beginning in 2011, to certain hospitals and professionals that implement and achieve meaningful use of certified electronic health record (EHR) technology in ways that demonstrate improved quality and effectiveness of care Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period An initial Medicaid incentive payment is available to providers that adopt, implement or upgrade certified EHR technology However, in order to receive additional Medicaid incentive payments in subsequent years, providers must demonstrate continued meaningful use of EHR technology

CHI accounts for meaningful use incentive payments under the gain contingency model Medicare EHR incentive payments are recognized as revenues when eligible providers demonstrate meaningful use of certified EHR technology and the cost report information for the full cost report year that will determine the full calculation of the incentive payment is available Medicaid EHR incentive payments are recognized as revenues when an eligible provider demonstrates meaningful use of certified EHR technology CHI recognized $39 1 million and $32 5 million of Medicare meaningful use revenues and $18 0 million and $8 2 million of Medicaid meaningful use revenues in its consolidated statements of operations for fiscal year 2014 and 2013, respectively

2. Community Benefit (Unaudited)

In accordance with its mission and philosophy, CHI commits substantial resources to sponsor a broad range of services to both the poor and the broader community Community benefit provided to the poor includes the cost of providing services to persons who cannot afford health care due to inadequate resources and/or who are uninsured or underinsured This type of community benefit includes the costs of traditional charity care, unpaid costs of care provided to

2. Community Benefit (Unaudited) (continued)

beneficiaries of Medicaid and other indigent public programs, services such as free clinics and meal programs for which a patient is not billed or for which a nominal fee has been assessed, and cash and in-kind donations of equipment, supplies or staff time volunteered on behalf of the community

Community benefit provided to the broader community includes the costs of providing services to other populations who may not qualify as poor but may need special services and support This type of community benefit includes the costs of services such as health promotion and education, health clinics and screenings, all of which are not billed or can be operated only on a deficit basis, unpaid portions of training health professionals such as medical residents, nursing students and students in allied health professions, and the unpaid portions of testing medical equipment and controlled studies of therapeutic protocols

A summary of the cost of community benefit provided to both the poor and the broader community is as follows (in thousands)

	2014	2013
Cost of community benefit		
Cost of charity care provided	**$ 255,157**	$ 320,666
Unpaid cost of public programs, Medicaid, and other indigent care programs	**453,386**	289,436
Non-billed services	**28,242**	36,237
Cash and in-kind donations	**4,084**	3,904
Education research	**102,081**	48,186
Other benefit	**62,263**	55,427
Total cost of community benefit from continuing operations	**905,213**	753,856
Total cost of community benefit from discontinued operations	**4,664**	8,095
Total cost of community benefit	**909,877**	761,951
Unpaid cost of Medicare from continuing operations	**776,417**	392,485
Unpaid cost of Medicare from discontinued operations	**16,445**	27,055
Total unpaid cost of Medicare	**792,862**	419,540
Total cost of community benefit and the unpaid cost of Medicare	**$ 1,702,739**	$ 1,181,491

2. Community Benefit (Unaudited) (continued)

The summary above has been prepared in accordance with the Catholic Health Association of the United States (CHA) publication, *A Guide for Planning & Reporting Community Benefit* Community benefit is measured on the basis of total cost, net of any offsetting revenues, donations or other funds used to defray cost During fiscal year 2014 and 2013, CHI received $4 0 million and $28 3 million, respectively, in funds used to subsidize charity care provided

The total cost of community benefit from continuing and discontinued operations was 6 4% and 6 8% of total expenses before operating expenses related to restructuring, impairment and other losses in 2014 and 2013, respectively The total cost of community benefit and the unpaid cost of Medicare from continuing and discontinued operations was 12 1% and 10 5% of total expenses before operating expenses related to restructuring, impairment and other losses in 2014 and 2013, respectively

3. Joint Operating Agreements and Investments in Unconsolidated Organizations

Joint Operating Agreements

CHI participates in JOAs with hospital-based organizations in three separate market areas The agreements generally provide for, among other things, joint management of the combined operations of the local facilities included in the JOAs through Joint Operating Companies (JOC) CHI retains ownership of the assets, liabilities, equity, revenues and expenses of the CHI facilities that participate in the JOAs The financial statements of the CHI facilities managed under all JOAs are included in the CHI consolidated financial statements Transfers of assets from facilities owned by the JOA participants generally are restricted under the terms of the agreements

As of June 30, 2014 and 2013, CHI has a 70% interest in a JOC based in Colorado and has a 50% interest in two other JOCs associated with other JOAs CHI's interests in the JOCs are included in investments in unconsolidated organizations and totaled $199 4 million and $103 2 million at June 30, 2014 and 2013, respectively CHI recognizes its investment in all JOCs under the equity method of accounting The JOCs provide varying levels of services to the related JOA sponsors, and operating expenses of the JOCs are allocated to each sponsoring organization The JOCs had total assets of $607 7 million and $483 9 million at June 30, 2014 and 2013, respectively, and net assets of $347 2 million and $160 9 million, respectively

3. Joint Operating Agreements and Investments in Unconsolidated Organizations (continued)

Investments in Unconsolidated Organizations

Conifer Health Solutions (Conifer) – As of June 30, 2014 and 2013, CHI holds a $19 3 million cost method investment in Conifer, acquired as part of an 11-year agreement with Conifer where Conifer provides revenue cycle services for CHI acute care operations The agreement allows CHI to earn shares in Conifer as transition and other activities are completed, and such shares will be issued at specified future dates As of June 30, 2014 and 2013, CHI has met certain transition milestones and has earned the right to additional future shares valued at $64 5 million and $19 1 million, respectively, which are reflected in notes receivable and other in the accompanying consolidated balance sheets This earned value will be amortized as an offset to revenue cycle service fees paid to Conifer over the life of the agreement

Preferred Professional Insurance Corporation (PPIC) – PPIC is an unconsolidated affiliate of CHI PPIC provides professional liability insurance and other related services to preferred physician and other health care providers that are associated with its owners CHI owns a 27% interest in PPIC and accounts for its investment under the equity method of accounting The book value of the investment was $60 5 million and $56 0 million at June 30, 2014 and 2013, respectively PPIC had net assets of $224 8 million and $208 0 million at December 31, 2013 and 2012, respectively

Other Entities – The summarized financial positions and results of operations for the other entities accounted for under the equity method of accounting as of and for the periods ended June 30, excluding the investments described above, are as follows (in thousands)

	2014							
	Medical Office Buildings	Outpatient and Diagnostic Services	Ambulatory Surgery Centers	Physician Practices	Hospital Based Services	ACO/CCO /CIN	Other Investees	Total
Total assets	$ 17,593	$ 270,241	$ 71,266	$ 31,985	$ 119,181	$ 96,337	$ 147,363	$ 753,966
Total debt	14,906	11,707	11,117	13,552	24,605	30,554	22,970	129,411
Net assets	2,560	204,956	49,572	14,839	87,064	65,784	90,145	514,920
Net patient services revenues	–	254,294	151,907	41,686	100,253	–	127,268	675,408
Total revenues, net	2,674	349,029	152,301	44,498	83,719	149,695	188,845	970,761
(Deficit) excess of revenues over expenses	(54)	26,614	39,951	4,031	22,993	10,262	14,251	118,048

3. Joint Operating Agreements and Investments in Unconsolidated Organizations (continued)

	2013							
	Medical Office Buildings	Outpatient and Diagnostic Services	Ambulatory Surgery Centers	Physician Practices	Hospital Based Services	ACO/CCO /CIN	Other Investees	Total
Total assets	$ 34,746	$ 265,568	$ 65,084	$ 28,697	$ 115,036	$ 50,623	$ 110,002	$ 669,756
Total debt	33,106	24,408	11,998	12,535	27,605	14,534	18,335	142,521
Net assets	1,414	195,874	44,996	8,758	71,752	36,090	64,958	423,842
Net patient services revenues	–	260,204	138,577	34,197	95,749	–	72,165	600,892
Total revenues, net	6,309	353,484	142,775	37,065	95,161	51,767	163,511	850,072
Excess of revenues over expenses	872	34,633	44,385	4,241	18,296	3,314	7,806	113,547

4. Acquisitions, Affiliations and Divestitures

The following table is a summary of the business combinations that occurred in fiscal year 2014 (in thousands)

	Harrison	CHI St. Luke's/Baylor	Hot Springs	Memorial	Other	Total
Fiscal year 2014						
Purchase consideration						
Cash	$ –	$ –	$ 59,650	$ –	$ 3,759	$ 63,409
Equity interest in acquisition	–	–	–	–	3,471	3,471
Gain on business combinations	289,030	–	61,839	53,245	17,841	421,955
Noncontrolling interest	–	298,725	–	–	–	298,725
	$ 289,030	$ 298,725	$ 121,489	$ 53,245	$ 25,071	$ 787,560

	Harrison	CHI St. Luke's/Baylor	Hot Springs	Memorial	Other	Total
Fiscal year 2014						
Purchase price allocation						
Cash and investments	$ 217,515	$ –	$ 79	$ 78,798	$ 37,333	$ 333,725
Patient and other accounts receivable	50,556	–	–	21,254	4,638	76,448
Other current assets	11,780	63,200	6,010	7,231	3,269	91,490
Property and equipment	199,127	215,800	126,225	125,863	5,309	672,324
Intangible assets	21,028	79,000	–	2,000	6,096	108,124
Goodwill	–	16,725	–	–	–	16,725
Other assets	8,883	–	133	1,338	3,143	13,497
Current liabilities	(65,858)	–	(4,019)	(21,734)	(10,481)	(102,092)
Pension liability	(19,349)	–	–	–	–	(19,349)
Other liabilities	(9,178)	(76,000)	–	(22,391)	(23,214)	(130,783)
Debt	(120,122)	–	(6,939)	(118,266)	(1,022)	(246,349)
Restricted net assets	(5,352)	–	–	(20,848)	–	(26,200)
	$ 289,030	$ 298,725	$ 121,489	$ 53,245	$ 25,071	$ 787,560

4. Acquisitions, Affiliations and Divestitures (continued)

Harrison Medical Center – Effective August 1, 2013, Harrison Medical Center (Harrison) was acquired by CHI for no consideration, resulting in the recognition of a $289 0 million gain calculated as the fair value of assets acquired and liabilities assumed determined based upon Level 3 inputs including estimated future cash flows and probability-weighted performance assumptions Harrison is located in Bremerton, Washington, and operates two acute care facilities in the area as well as provides emergency services and a range of general and specialized services to adjacent areas Excluding the contribution gain, Harrison reported $369 8 million in operating revenues and $33 9 million of excess of revenues over expenses in the CHI consolidated results of operations for the period August 1, 2013 through June 30, 2014

Mercy Hot Springs – Effective April 1, 2014, Mercy Health based in St Louis, Missouri, transferred ownership of its Hot Springs, Arkansas facility, including its hospital and physician clinic (Mercy Hot Springs), to CHI for net proceeds of $59 7 million A $61 8 million gain was recognized, calculated as the fair value of assets acquired and liabilities assumed, determined based upon Level 3 inputs including estimated future cash flows and probability-weighted performance assumptions, less consideration paid Mercy Hot Springs is a 282-bed acute care hospital, providing an emergency department with a Level 2 Trauma Center designation, a 90-physician clinic organization and a comprehensive range of medical services Excluding the contribution gain, Mercy Hot Springs reported $63 7 million in operating revenues and $2 2 million of deficit of revenues over expenses in the CHI consolidated results of operations for the period April 1, 2014 through June 30, 2014

Memorial Health System of East Texas – Effective June 1, 2014, Memorial Health System of East Texas (Memorial) was acquired by CHI for no consideration, resulting in the recognition of a $53 2 million gain calculated as the fair value of assets acquired and liabilities assumed determined based upon Level 3 inputs including estimated future cash flows and probability-weighted performance assumptions Memorial is a private, nonprofit hospital system with hospitals in Lufkin, Livingston and San Augustine, Texas Excluding the contribution gain, Memorial reported $16 2 million in operating revenues and $0 8 million of deficiency of revenues over expenses in the CHI consolidated results of operations for the period June 1, 2014 through June 30, 2014

CHI St. Luke's/Baylor College of Medicine – Effective on January 1, 2014, CHI St Luke's Medical Center (CHI St Luke's) acquired certain assets of Baylor College of Medicine (Baylor) in exchange for a 35% noncontrolling interest in the combined operations of certain of the operations of CHI St Luke's The parties have agreed to build and operate a new, acute care,

4. Acquisitions, Affiliations and Divestitures (continued)

open-staff hospital on Baylor's McNair Campus and to share in the operations 65% by CHI St Luke's and 35% by Baylor CHI St Luke's and Baylor also entered into an academic affiliation agreement whereby Baylor will provide certain clinical programs and services to certain of the CHI St Luke's hospital facilities

The following table is a summary of the business combinations that occurred in fiscal year 2013

	St. Luke's	Highline	UMC	Alegent	Total
Fiscal year 2013					
Purchase consideration					
Cash	$ 1,000,000	$ –	$ –	$ 553,700	$ 1,553,700
Note payable	260,000	–	–	–	260,000
Contingent consideration	–	–	217,709	–	217,709
Equity interest in Alegent	–	–	–	33,934	33,934
Gain on business combinations	–	55,436	–	20,989	76,425
	$ 1,260,000	$ 55,436	$ 217,709	$ 608,623	$ 2,141,768

	St. Luke's	Highline	UMC	Alegent	Total
Fiscal year 2013					
Purchase price allocation					
Cash and investments	$ 1,153,253	$ 57,133	$ 94,061	$ 496,309	$ 1,800,756
Patient and other accounts receivable	180,106	27,268	65,723	118,833	391,930
Other current assets	37,413	5,081	29,601	34,884	106,979
Property and equipment	1,046,341	137,148	176,004	474,996	1,834,489
Intangible assets	41,124	1,494	–	982	43,600
Goodwill	–	–	53,178	92,964	146,142
Other assets	25,600	17,745	9,367	63,798	116,510
Current liabilities	(175,081)	(34,087)	(76,202)	(206,630)	(492,000)
Pension liability	(3,559)	(12,307)	–	(48,216)	(64,082)
Other liabilities	(153,436)	(5,355)	(11,202)	(81,344)	(251,337)
Notes payable to CHI	–	–	–	(337,953)	(337,953)
Debt	(891,761)	(138,684)	(122,821)	–	(1,153,266)
	$ 1,260,000	$ 55,436	$ 217,709	$ 608,623	$ 2,141,768

4. Acquisitions, Affiliations and Divestitures (continued)

CHI St. Luke's Health System – Effective June 1, 2013, CHI acquired the operations of St Luke's Health System (St Luke's), a six-hospital system based in Houston, Texas, from Episcopal Health Foundation for cash and a note payable For the month of June 2013, the operations of CHI St Luke's contributed $95 2 million in operating revenues and $12 8 million of deficit of revenues over expenses to the CHI consolidated results of operations

Highline Medical Center – Effective April 1, 2013, Highline Medical Center (Highline) was acquired by CHI for no consideration, resulting in the recognition of a $55 4 million gain calculated as the fair value of assets acquired and liabilities assumed determined based upon Level 3 inputs including estimated future cash flows and probability-weighted performance assumptions Highline is a 154-bed acute care hospital based in Burien, Washington Excluding the contribution gain, Highline reported $48 3 million in operating revenues and $2 6 million in deficiency of revenues over expenses to the CHI consolidated results of operations for the period April 1 through June 30, 2013

University Medical Center and University of Louisville Hospital – Effective March 1, 2013, KentuckyOne Health (a CHI MBO), University Medical Center (UMC) and the University of Louisville entered into a partnership, structured as a joint operating agreement between University Medical Center and KentuckyOne Health, whereby KentuckyOne Health controls substantially all of UMC's operations, which consist of the University of Louisville Hospital and the James Graham Brown Cancer Center (ULH) As part of the agreement, KentuckyOne Health has committed to provide financial support to the University of Louisville over the next 20 years The fair value of the contingent consideration is adjusted annually by management and is based on Level 3 inputs including estimated future cash flows and probability-weighted performance assumptions, all discounted to net present value Changes in any of the unobservable inputs alone or together would result in a lower (higher) fair value measurement The fair value of the commitment based on significant unobservable inputs (Level 3) was $203 2 million at June 30, 2014, compared to an acquisition date value of $217 7 million For the period from March 1 through June 30, 2013, the operations of ULH contributed $166 3 million of operating revenues and $11 8 million of excess of revenues over expenses to the CHI consolidated results of operations, prior to the effects of the JOA revenue-sharing arrangement

4. Acquisitions, Affiliations and Divestitures (continued)

Alegent Creighton Health and Affiliates – Effective November 1, 2012, CHI became the sole corporate sponsor of Alegent based in Omaha, Nebraska In addition to the operations of Bergan Mercy Health System and Affiliates (Bergan Mercy) previously owned and consolidated by CHI, CHI now consolidates the Alegent operations, which include the operations of Immanuel and the operations of Creighton University Medical Center For the period from November 1, 2012 through June 30, 2013, incremental Alegent (excluding the Bergan Mercy component) contributed $611 1 million in operating revenues and $18 1 million of excess of revenues over expenses to the CHI consolidated results of operations Upon CHI becoming the sole sponsor of Alegent in November 2012, CHI also recognized a $21 0 million gain in fiscal year 2013, due to the remeasurement of CHI's interest in the Alegent JOC Such gain is reflected in other nonpatient revenues in the consolidated statements of operations

On an unaudited pro forma basis, had CHI owned or been party to agreements with Harrison, Hot Springs and Memorial at the beginning of fiscal year 2014, these entities would have contributed $1 2 billion of operating revenues and $415 9 million of excess of revenues of expenses Had CHI owned or been party to agreements with Harrison, Hot Springs, Memorial, St Luke's, Highline, University Medical Center and Alegent at the beginning of fiscal year 2013, these entities would have contributed $3 6 billion in operating revenues and $190 6 million in excess of revenues over expenses However, unaudited pro forma information is not necessarily indicative of the historical results that would have been obtained had the transaction actually occurred on those dates, nor of future results

Texas Heart Institute Affiliation

Effective on January 1, 2014, CHI and Texas Heart Institute (THI) entered into a ten-year affiliation agreement to further develop research, education and patient care opportunities to reduce the toll of cardiovascular disease Over the term of the agreement, CHI has committed to fund various programs sponsored by THI The present value of these commitments was $96 1 million as of the affiliation agreement date, of which $74 1 million was recorded in fiscal year 2014, as other nonoperating (losses) gains in the consolidated statements of operations As part of the valuation, CHI recorded $22 million in trade name intangibles, which will be amortized over the life of the agreement

4. Acquisitions, Affiliations and Divestitures (continued)

Discontinued Operations

In 2012, CHI committed to a plan to sell the MBOs in Denville, New Jersey, Towson, Maryland, and Pierre, South Dakota The Towson MBO was sold to the University of Maryland Medical System effective on December 1, 2012, for preliminary sales proceeds of $154 0 million Contingent sales proceeds of $45 7 million have been placed in escrow pending final disposition of certain open items A final determination is expected in fiscal year 2015 The Pierre MBO was sold to Avera Health effective January 1, 2013, for net sales proceeds of $50 0 million and a loss on disposition of $27 7 million In May 2013, CHI agreed to sell the Denville MBO to Prime Healthcare Services for $100 0 million The transaction is subject to governmental and Church approvals and is expected to close in fiscal year 2015 In accordance with Accounting Standards Codification (ASC) 205-20, *Discontinued Operations*, and ASC 360-10, *Impairment or Disposal of Long-Lived Assets*, the results of operations associated with these MBOs have been reported as discontinued operations and are included in the consolidated statements of changes in net assets Assets held for sale consist primarily of net patient accounts receivable, net property and other long-term assets Liabilities held for sale consist primarily of accrued compensation and benefits, accounts payable and deferred revenues

Related to discontinued operations, CHI recorded a deficiency of revenues over expenses of $14 8 million and $108 6 million for the years ended June 30, 2014 and 2013, respectively, which is reported as discontinued operations in the accompanying consolidated statements of changes in net assets Included in fiscal year 2013 is an impairment loss of $64 8 million related to adjusting the carrying value of property and equipment at the Denville MBO to its net realizable value Total operating revenues and deficiency of revenues over expenses included in the results of discontinued operations for the years ended June 30 are summarized below (in thousands)

	2014	2013
Total operating revenues	**$ 296,267**	$ 464,809
Total operating expenses	**(314,035)**	(485,949)
Restructuring and other losses	**–**	(95,924)
Nonoperating gains	**3,000**	8,470
Deficiency of revenues over expenses	**$ (14,768)**	$ (108,594)

4. Acquisitions, Affiliations and Divestitures (continued)

The consolidated statements of cash flows include the use of $18 5 million and $24 9 million of operating, investing and financing activities related to discontinued operations for the years ended June 30, 2014 and 2013, respectively

5. Net Patient Services Revenues

Net patient services revenues are derived from services provided to patients who are either directly responsible for payment or are covered by various insurance or managed care programs CHI receives payments from the federal government on behalf of patients covered by the Medicare program, from state governments for Medicaid and other state-sponsored programs, from certain private insurance companies and managed care programs and from patients themselves A summary of payment arrangements with major third-party payors follows

Medicare – Inpatient acute care and certain outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge or procedure These rates vary according to patient classification systems based on clinical, diagnostic and other factors Certain CHI facilities have been designated as critical access hospitals and, accordingly, are reimbursed their cost of providing services to Medicare beneficiaries Professional services rendered by physicians are paid based on the Medicare allowable fee schedule

Medicaid – Inpatient services rendered to Medicaid program beneficiaries are primarily paid under the traditional Medicaid plan at prospectively determined rates per discharge Certain outpatient services are reimbursed based on a cost reimbursement methodology, fee schedules or discounts from established charges

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

5. Net Patient Services Revenues (continued)

CHI's Medicare, Medicaid and other payor utilization percentages, based upon net patient services revenues before provision for doubtful accounts, are summarized as follows

	2014	2013
Medicare	**32%**	32%
Medicaid	**8**	8
Managed care	**41**	40
Self-pay	**8**	8
Commercial and other	**11**	12
	100%	100%

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term Estimated settlements related to Medicare and Medicaid of $117 4 million and $103 0 million at June 30, 2014 and 2013, respectively, are included in third-party liabilities Net patient services revenues from continuing operations increased by $63 2 million in 2014 and $38 3 million in 2013 due to favorable changes in estimates related to prior-year settlements

6. Investments and Assets Limited as to Use

CHI's investments and assets limited as to use as of June 30 are reported in the accompanying consolidated balance sheets as presented in the following table (in thousands)

	2014	2013
Cash and equivalents	**$ 433,606**	$ 244,077
CHI Investment Program	**5,814,893**	4,911,135
Marketable equity securities	**390,751**	858,537
Marketable fixed-income securities	**463,036**	773,069
Hedge funds and other investments	**63,974**	323,885
	7,166,260	7,110,703
Less current portion	**(24,732)**	(11,697)
	$ 7,141,528	$ 7,099,006

6. Investments and Assets Limited as to Use (continued)

Net unrealized gains in investments and assets limited to use at June 30, 2014 and 2013, were $668 6 million and $297 3 million, respectively

CHI attempts to reduce its market risk by diversifying its investment portfolio using cash equivalents, fixed-income securities, marketable equity securities and alternative investments Most of the U S Treasury, money market funds and corporate debt obligations as well as exchange-traded marketable securities held by CHI and the CHI Investment Program (the Program) have an actively traded market However, CHI also invests in commercial paper, mortgage-backed or other asset-backed securities, alternative investments (such as hedge funds, private equity investments, real estate funds and funds of funds), collateralized debt obligations, municipal securities and other investments that have potential complexities in valuation based upon the current conditions in the credit markets For some of these instruments, evidence supporting the determination of fair value may not come from trading in active primary or secondary markets Because these investments may not be readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had an active market for such investments existed Such differences could be material However, management reviews the CHI investment portfolio on a regular basis and seeks guidance from its professional portfolio managers related to U S and global market conditions to determine the fair value of its investments CHI believes the carrying amount of these financial instruments in the consolidated financial statements is a reasonable estimate of fair value

The majority of all CHI long-term investments are held in the Program The Program is structured under a Limited Partnership Agreement with CHI as managing general partner and numerous limited partners, most sponsored by CHI The partnership provides a vehicle whereby virtually all entities associated with CHI, as well as certain other unrelated entities, can seek to optimize investment returns while managing investment risk Entities participating in the Program that are not consolidated in the accompanying financial statements have the ability to direct their invested amounts and liquidate and/or withdraw their interest without penalty as soon as practicable based on market conditions but within 180 days of notification The Limited Partnership Agreement permits a majority vote of the noncontrolling limited partners to terminate the partnership Accordingly, CHI recognizes only the portion of Program assets attributable to CHI and its sponsored affiliates Program assets attributable to CHI and its Direct Affiliates represented 90% of total Program assets at June 30, 2014 and 2013

6. Investments and Assets Limited as to Use (continued)

The Program asset allocation at June 30 is as follows

	2014	2013
Marketable equity securities	**44%**	43%
Marketable fixed-income securities	**31**	32
Alternative investments	**23**	24
Cash and equivalents	**2**	1
	100%	100%

The CHI Finance Committee (the Committee) of the Board of Stewardship Trustees is responsible for determining asset allocations among fixed-income, equity, and alternative investments At least annually, the Committee reviews targeted allocations and, if necessary, makes adjustments to targeted asset allocations Given the diversity of the underlying securities in which the Program invests, management does not believe there is a significant concentration of credit risk Investment income is comprised of the following for the years ended June 30 (in thousands)

	2014	2013
Dividend and interest income	**$ 139,612**	$ 142,054
Net realized gains	**345,944**	262,067
Net unrealized gains	**364,692**	151,232
Total investment income from continuing operations	**$ 850,248**	$ 555,353
Included in nonpatient revenue	**$ 101,874**	$ 66,529
Included in nonoperating gains	**748,374**	488,824
Total investment income from continuing operations	**850,248**	555,353
Total investment income from discontinued operations	**3,000**	8,470
Total investment income	**$ 853,248**	$ 563,823

Direct expenses of the Program are less than 0 4% of total assets Fees paid to the alternative investment managers are not included in the total expense calculation as they are not a direct expense of the Program

7. Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date ASC 820, *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy that prioritizes the inputs used to measure fair value The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs)

The three levels of the fair value hierarchy and a description of the valuation methodologies used for instruments measured at fair value are as follows

Level 1 – Valuation is based upon quoted prices (unadjusted) for identical assets or liabilities in active markets

Level 2 – Valuation is based upon quoted prices for similar assets and liabilities in active markets or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial asset or liability

Level 3 – Valuation is based upon other unobservable inputs that are significant to the fair value measurement

Certain of CHI's alternative investments are made through limited liability companies (LLC) and limited liability partnerships (LLP) These LLCs and LLPs provide CHI with a proportionate share of the investment gains (losses) CHI accounts for its ownership in the LLCs and LLPs under the equity method CHI also accounts for its ownership in the CHI Investment Program under the equity method As such, these investments are excluded from the scope of ASC 820

7. Fair Value of Assets and Liabilities (continued)

Financial assets and liabilities measured at fair value on a recurring basis were determined using the market approach based upon the following inputs at June 30 (in thousands)

	2014			
	Fair Value Measurements at Reporting Date Using			
		(Level 1)	(Level 2)	(Level 3)
	Fair Value as of June 30	Quoted Prices in Active Markets	Other Observable Inputs	Unobservable Inputs
Assets				
Assets limited as to use				
Cash and short-term investments	$ 433,606	$ 353,077	$ 80,529	$ –
Marketable equity securities	390,751	390,751	–	–
Marketable fixed-income securities	463,036	97,433	365,603	–
Other investments	2,518	–	–	2,518
Deferred compensation assets				
Cash and short-term investments	13,911	13,911	–	–
	$ 1,303,822	$ 855,172	$ 446,132	$ 2,518
Liabilities				
Interest rate swaps	$ 256,750	$ –	$ 256,750	$ –
Contingent consideration	203,236	–	–	203,236
Deferred compensation liability	13,911	13,911	–	–
	$ 473,897	$ 13,911	$ 256,750	$ 203,236

7. Fair Value of Assets and Liabilities (continued)

	2013			
	Fair Value Measurements at Reporting Date Using			
		(Level 1)	(Level 2)	(Level 3)
	Fair Value as of June 30	Quoted Prices in Active Markets	Other Observable Inputs	Unobservable Inputs
Assets				
Assets limited as to use				
Cash and short-term investments	$ 244,077	$ 197,385	$ 46,692	$ –
Marketable equity securities	858,537	858,537	–	–
Marketable fixed-income securities	773,069	123,996	649,073	–
Other investments	11,718	–	–	11,718
Deferred compensation assets				
Cash and short-term investments	12,035	12,035	–	–
	$ 1,899,436	$ 1,191,953	$ 695,765	$ 11,718
Liabilities				
Interest rate swaps	$ 271,634	$ –	$ 271,634	$ –
Contingent consideration	205,169	–	–	205,169
Deferred compensation liability	12,035	12,035	–	–
	$ 488,838	$ 12,035	$ 271,634	$ 205,169

The fair values of the instruments included in Level 1 were determined through quoted market prices Level 1 instruments include money market funds, mutual funds and marketable debt and equity securities The fair values of Level 2 instruments were determined through evaluated bid prices based on recent trading activity and other relevant information, including market interest

7. Fair Value of Assets and Liabilities (continued)

rate curves and referenced credit spreads, estimated prepayment rates, where applicable, are used for valuation purposes and are provided by third-party services where quoted market values are not available Level 2 instruments include corporate fixed-income securities, government bonds, mortgage and asset-backed securities, and interest rate swaps The fair values of Level 3 securities are determined primarily through information obtained from the relevant counterparties for such investments Information on which these securities' fair values are based is generally not readily available in the market The fair value of the contingent liabilities was determined based on estimated future cash flows and probability-weighted performance assumptions, discounted to net present value

8. Property and Equipment

A summary of property and equipment is as follows as of June 30 (in thousands)

	2014	2013
Land and improvements	**$ 672,103**	$ 596,548
Buildings and improvements	**6,880,281**	6,399,345
Equipment	**5,193,465**	4,612,302
	12,745,849	11,608,195
Less accumulated depreciation	**(5,494,054)**	(5,009,102)
	7,251,795	6,599,093
Construction in progress	**1,690,725**	1,187,147
	$ 8,942,520	$ 7,786,240

CHI evaluates whether events and circumstances have occurred that indicate the remaining useful life of property, equipment and certain other intangible assets may not be recoverable Management determined there were impairment issues in both 2014 and 2013, to the extent that the undiscounted cash flows estimated to be generated by certain assets were less than the underlying carrying value CHI recorded $59 6 million and $4 9 million in impairment losses in continuing operations for 2014 and 2013, respectively, resulting from charges related to estimated fair value deficiencies (based upon projected discounted cash flows) at various MBOs

9. Debt Obligations

The following is a summary of debt obligations as of June 30 (in thousands)

	Interest Rates at June 30, 2014	2014	2013
CHI debt issued under the COD			
Variable-rate Bonds			
Series 1997B, maturing through 2022	0.12%	$ **7,700**	$ 9,200
Series 2000B, maturing 2027	0.10	**22,700**	24,000
Series 2002B, maturing 2032	0.10	**94,700**	97,800
Series 2004B, maturing through 2044	0.05–0.11	**180,700**	180,700
Series 2004C, maturing through 2044	0.04–0.07	**163,300**	163,300
Series 2008A, maturing 2036	0.11	**120,225**	120,260
Series 2008C, maturing 2041	0.1	**50,000**	50,000
Series 2011B, maturing 2046	0.06	**158,155**	158,155
Series 2011C, maturing 2046	0.1	**121,000**	123,000
Series 2013B, maturing 2035	0.06	**200,000**	–
Series 2013C, maturing 2023	0.11	**100,000**	–
Series 2013E Taxable, maturing 2045	0.15	**125,000**	–
Series 2013F Taxable, maturing 2045	0.15	**75,000**	–
Fixed-rate Bonds			
Series 2002A, maturing 2017	5.5	**2,615**	3,400
Series 2004A, maturing through 2034	4.75–5.0	**146,605**	146,605
Series 2006A, maturing 2041	4.0–5.0	**270,635**	270,635
Series 2006C, maturing through 2041	3.85–5.1	**250,000**	250,000
Series 2008C, maturing through 2041	4.0–4.1	**105,000**	105,000
Series 2008D, maturing through 2038	5.0–6.38	**471,450**	471,450
Series 2009A, maturing 2039	3.75–5.25	**724,140**	748,760
Series 2009B, maturing through 2039	4.0–5.25	**217,720**	252,360
Series 2011A, maturing 2041	3.25–5.25	**486,090**	506,090
Series 2012A, maturing 2035	4.0–5.0	**268,980**	271,260
Series 2012 Taxable, maturing 2042	1.6–4.35	**1,500,000**	1,500,000
Series 2013A, maturing 2045	5.0–5.75	**600,600**	–
Series 2013D Taxable, maturing 2023	2.6–4.2	**540,000**	–
Commercial Paper		**482,362**	442,475
Unamortized debt premium		**55,660**	59,538
Unamortized debt discount		**(24,839)**	(11,192)
Total CHI debt issued under the COD		**7,515,498**	5,942,796

9. Debt Obligations (continued)

	Interest Rates at June 30, 2014	2014	2013
St. Luke's debt issued under Master Trust Indenture			
Variable-rate Bonds			
Series 2005		–	132,600
Series 2008		–	100,000
Series 2012		–	150,220
Fixed-rate Bonds Series 2009		–	150,798
Unsecured Bank Notes		–	99,798
Total St Luke's debt issued under Master Trust Indenture		–	633,416
Note payable issued to Episcopal Health Foundation		**230,225**	260,000
Capital leases		**204,291**	106,899
Other debt		**429,248**	462,946
		8,379,262	7,406,057
Less Amounts classified as current			
Variable-rate debt with self-liquidity		**(521,455)**	(321,455)
Commercial paper and current portion of debt		**(711,408)**	(749,617)
Long-term debt		**$ 7,146,399**	$ 6,334,985

The fair value of debt obligations was approximately $8 6 billion at June 30, 2014 Management has determined the carrying values of the variable-rate bonds are representative of fair values as of June 30, 2014, as the interest rates are set by the market participants The fair value of the fixed-rate tax-exempt bond obligations as of June 30, 2014, is determined by applying credit spreads for similar tax-exempt obligations in the marketplace, which are then used to calculate a price/yield for the outstanding obligations (Level 2 inputs)

A summary of scheduled principal payments, based upon stated maturities, on long-term debt for the next five years is as follows (in thousands)

	Amounts Due
Year ending June 30	
2015	$ 711,408
2016	248,420
2017	123,497
2018	404,908
2019	410,543

9. Debt Obligations (continued)

CHI issues the majority of its debt under the COD and is the sole obligor Bondholder security resides both in the unsecured promise by CHI to pay its obligations and in its control of its Direct and Designated Affiliates Covenants include a minimum CHI debt service coverage ratio and certain limitations on secured debt The Direct Affiliates of CHI, defined as Participants under the COD, have agreed to certain covenants related to corporate existence, maintenance of insurance and exempt use of bond-financed facilities

During the second quarter of fiscal year 2014, CHI issued $900 6 million of par value tax exempt bonds and $740 0 million of par value taxable bonds Of the total proceeds, $881 8 million was used to redeem various St Luke's bonds and bank notes, Harrison bonds, and Highline bonds, resulting in a total loss on defeasance of $10 0 million

In October 2012, CHI issued $1 5 billion of par value long-term, fixed-rate, taxable bonds Proceeds were used to finance a wide array of strategic initiatives, including affiliations in key areas

As a result of redeeming the various St Luke's obligations, the St Luke's Health System Obligated Group and Master Trust Indenture were dissolved Prior to December 31, 2013, St Luke's had been a member of the St Luke's Health System Obligated Group, and together with various of its consolidated subsidiaries, were the obligors under each of the St Luke's bond issues Obligated Group members were jointly and severally obligated to pay the notes issued under the Master Trust Indenture Notes issued under the Master Trust Indenture were equally and ratably secured by a pledge of the accounts receivable of St Luke's Medical Center and St Luke's Woodlands Hospital

As part of the December 2012 divestiture of CHI's facilities in Towson, Maryland, $113 5 million of Series 2006A bonds were legally defeased, resulting in a loss on defeasance of $18 0 million

CHI has two types of external liquidity facilities those that are dedicated to specific series of variable-rate demand bonds (VRDB) and those that are not dedicated to a particular series of VRDBs but may be used to support CHI's obligations to fund tenders of VRDBs and pay the maturing principal of commercial paper Liquidity facilities that are dedicated to specific series of bonds were $897 0 million and $605 0 million at June 30, 2014 and 2013, respectively, of which $8 2 million and $7 9 million, respectively, are classified as current debt The remaining

9. Debt Obligations (continued)

$888 8 million and $597 1 million at June 30, 2014 and 2013, respectively, are reported as long-term debt due to the repayment terms on any associated drawings extending beyond the subsequent fiscal year under the terms of the specific agreements

Liquidity facilities not dedicated for specific series of VRDBs but used to support CHI's obligations to fund tenders and to pay maturing principal of commercial paper were $420 0 million and $390 0 million at June 30, 2014 and 2013, respectively At June 30, 2014 and 2013, respectively, $482 4 million and $442 5 million of commercial paper were classified as current due to maturities of less than one year, and $521 5 million and $321 5 million, respectively, of VRDBs and Windows variable-rate bonds (Windows) were also classified as current due to the holder's ability to put such VRDBs and Windows back to CHI without liquidity facilities dedicated to these bonds

At June 30, 2014, CHI had a $55 0 million credit facility with Bank of New York Mellon Letters of credit totaling $47 6 million have been issued for the benefit of third parties, principally in support of the self-insurance programs administered by FIIL At June 30, 2014 and 2013, no amounts were outstanding under this credit facility

CHI was a party to 13 floating-to-fixed interest rate swap agreements with notional amounts totaling $1 4 billion and $1 6 billion at June 30, 2014 and 2013, respectively Generally, it is CHI policy that all counterparties have an AA rating or better The swap agreements require CHI to provide collateral if CHI's liability, determined on a mark-to-market basis, exceeds a specified threshold that varies based upon the rating on CHI's long-term indebtedness These fixed-payor swap agreements convert CHI's variable-rate debt to fixed-rate debt The swaps have varying maturity dates ranging from 2025 to 2047 The fair value of the swaps is estimated based on the present value sum of anticipated future net cash settlements until the swaps' maturities At June 30, 2014 and 2013, the fair value was $256 7 million and $271 6 million, respectively

During fiscal year 2014, a change in CHI's debt ratings resulted in an increase to its cash collateral postings Cash collateral balances of $130 5 million and $107 5 million at June 30, 2014 and 2013, respectively, are netted against the fair value of the swaps, and the net amount is reflected in other liabilities The change in the fair value of these agreements was a net gain of $10 2 million and $98 9 million in 2014 and 2013, respectively

10. Retirement Plans

The non-contributory, defined benefit retirement plans (Retirement Plans) sponsored by CHI and its direct affiliates were frozen as of December 31, 2013 Benefits earned by employees through December 31, 2013, will remain in the Retirement Plans, and employees will continue to receive interest credits and, if applicable, vesting credits Beginning January 1, 2014, CHI introduced a new 401(k) Retirement Savings Plan – see *CHI 401(k) Retirement Savings Plan* below for additional information

Benefits in the Retirement Plans are based on compensation, retirement age and years of service Vesting occurs over a five-year period Substantially all of the Plans are qualified as church plans and are exempt from certain provisions of both the Employee Retirement Income Security Act and Pension Benefit Guaranty Corporation premiums and coverage Funding requirements are determined through consultation with independent actuaries

CHI recognizes the funded status (that is, the difference between the fair value of plan assets and the projected benefit obligations) of its Plans in the consolidated balance sheets, with a corresponding adjustment to net assets Actuarial gains and losses that arise and are not recognized as net periodic pension cost in the same periods are recognized as a component of changes in net assets

During fiscal year 2014 and 2013, CHI acquired the pension plan assets and liabilities of Harrison and Memorial, and Alegent and CHI St Luke's (the Acquired plans), respectively, which are included below

10. Retirement Plans (continued)

A summary of the changes in the benefit obligation, fair value of plan assets and funded status of the Plans at the June 30 measurement dates is as follows (in thousands)

	2014	2013
Change in benefit obligation		
Benefit obligation, beginning of year	**$ 3,877,485**	$ 3,601,231
Service cost	**106,484**	205,037
Interest cost	**177,859**	151,763
Actuarial loss (gain)	**412,995**	(170,282)
Acquired plans	**165,506**	387,189
Transfers	**(3,728)**	–
Curtailments	**(267)**	(134,233)
Settlements	**(30,821)**	(17,931)
Benefits paid	**(230,258)**	(144,838)
Expenses paid	**(1,626)**	(451)
Benefit obligation, end of year	**4,473,629**	3,877,485
Change in the Plans' assets		
Fair value of the Plans' assets, beginning of year	**3,404,633**	2,708,411
Actual return on the Plans' assets, net of expenses	**575,358**	309,522
Employer contributions	**123,763**	203,564
Acquired plans	**139,480**	346,273
Transfers	**(3,528)**	–
Settlements	**(30,551)**	(17,848)
Benefits paid	**(230,258)**	(144,838)
Expenses paid	**(1,626)**	(451)
Fair value of the Plans' assets, end of year	**3,977,271**	3,404,633
Funded status of the Plans	**$ (496,358)**	$ (472,852)
End-of-year values		
Projected benefit obligation	**$ 4,473,629**	$ 3,877,485
Accumulated benefit obligation	**4,467,063**	3,844,708

10. Retirement Plans (continued)

During fiscal year 2014 and 2013, the Plans experienced two curtailment events Plan design changes for certain Plans resulted in future service reductions in fiscal year 2014, and employee transitions in fiscal year 2013 resulted in an adjustment to the benefit obligation as of June 30, 2013

Included in net assets at June 30, 2014, are unrecognized actuarial losses of $772 7 million that have not yet been recognized in net periodic pension cost The actuarial losses included in net assets and expected to be recognized in net periodic pension cost during the fiscal year ending June 30, 2015, is $42 0 million

The components of net periodic pension expense are as follows (in thousands)

	2014	2013
Components of net periodic pension expense		
Service cost	**$ 106,484**	$ 205,037
Interest cost	**177,859**	151,763
Expected return on the Plans' assets	**(247,121)**	(220,236)
Actuarial losses	**32,733**	91,606
Amortization of prior service benefit	**78**	174
Curtailments	**296**	367
Settlements	**301**	45
	$ 70,630	$ 228,756
Weighted-average assumptions		
Discount rate, beginning of year	**4.58%**	4 06%
Discount rate, end of year	**4.15**	4 58
Expected return on Plans' assets	**7.60**	7 75
Rate of compensation increase	**n/a**	3 75

The assumption for the expected return on the Plans' assets is based on historical returns and adherence to the asset allocations set forth in the Plans' investment policies The expected return on the Plans' assets for determining pension cost was 7 60% in 2014 and 7 75% in 2013 The decrease in the discount rate to 4 15% at June 30, 2014, increased the pension benefit obligation by approximately $283 3 million

10. Retirement Plans (continued)

A summary of the Plans' asset allocation targets, ranges by asset class and allocations by asset class at the measurement dates of June 30 is as follows

	2014	2013	Target	Range
Fixed-income securities	**33.5%**	25 6%	27 5%	17 5–37 5%
Equity securities	**47.0**	55 1	50 0	40 0–60 0
Alternative investments	**19.5**	19 3	22 5	12 5–32 5

The Plans' assets are invested in a portfolio designed to preserve principal and obtain competitive investment returns and long-term investment growth, consistent with actuarial assumptions, while minimizing unnecessary investment risk Diversification is achieved by allocating assets to various asset classes and investment styles and by retaining multiple investment managers with complementary philosophies, styles and approaches Although the objective of the Plans is to maintain asset allocations close to target, temporary periods may exist where allocations are outside of the expected range due to market conditions The use of leverage is prohibited except as specifically directed in the alternative investment allocation The portfolio is managed on a basis consistent with the CHI social responsibility guidelines Alternative investments of $234 million are illiquid and not available for redemption at the Plans' request

The Plans' assets measured at fair value on a recurring basis were determined using the following inputs at June 30 (in thousands)

	2014			
	Fair Value Measurements at Reporting Date Using			
		(Level 1)	(Level 2)	(Level 3)
	Fair Value as of June 30	Quoted Prices in Active Markets	Other Observable Inputs	Unobservable Inputs
Cash and short-term investments	$ 223,904	$ 201,206	$ 22,698	$ –
Marketable equity securities	1,634,181	1,630,703	3,478	–
Marketable fixed-income securities	1,371,165	324,247	943,170	103,748
Alternative investments	748,021	–	–	748,021
	$ 3,977,271	$ 2,156,156	$ 969,346	$ 851,769

10. Retirement Plans (continued)

	2013			
	Fair Value Measurements at Reporting Date Using			
		(Level 1)	(Level 2)	(Level 3)
	Fair Value as of June 30	Quoted Prices in Active Markets	Other Observable Inputs	Unobservable Inputs
Cash and short-term investments	$ 115,586	$ 102,360	$ 13,226	$ –
Marketable equity securities	1,715,087	1,715,087	–	–
Marketable fixed-income securities	916,766	220,833	695,933	–
Alternative investments	657,194	–	–	657,194
	$ 3,404,633	$ 2,038,280	$ 709,159	$ 657,194

A summary of the changes in the fair value of the Plans' investments for which Level 3 inputs were used at the June 30 measurement dates is as follows (in thousands)

	2014	2013
Beginning investments at fair value	**$ 657,194**	$ 505,720
Purchases of investments	**189,680**	91,868
Proceeds from sale of investments	**(70,488)**	(47,376)
Net change in unrealized appreciation on investments and effect of foreign currency translation	**50,834**	12,778
Net realized gains on investments	**25,531**	25,424
Acquired plan investments	–	53,540
Net transfers (out of) into Level 3	**(982)**	15,240
Ending investments at fair value	**$ 851,769**	$ 657,194

10. Retirement Plans (continued)

CHI expects to contribute $15 0 million to the Plans in fiscal year 2015 A summary of expected benefits to be paid to the Plans' participants and beneficiaries is as follows (in thousands)

	Estimated Payments
Year ending June 30	
2015	$ 235,323
2016	220,122
2017	236,598
2018	245,390
2019	256,854
2020–2024	1,443,265

CHI 401(k) Retirement Savings Plan

Effective on January 1, 2014, CHI introduced the CHI 401(k) Retirement Savings Plan (401(k) Savings Plan), which replaced the frozen Retirement Plan as an employee retirement benefit Years of service under the Retirement Plan will automatically transfer to the 401(k) Savings Plan An employee is fully vested in the plan for employer contributions after three years of service

As part of the 401(k) Savings Plan, CHI will match 100 0% of the first 1 0% of eligible pay an employee contributes to the plan, and 50 0% of the next 5 0% of eligible pay contributed to the plan, for a maximum employer matching rate of 3 5% of eligible pay On an annual basis and regardless of whether or not an employee participates in the 401(k) Savings Plan, CHI will also contribute 2 5% of eligible pay to an employee's 401(k) Savings Plan account This contribution is made if an employee reaches 1,000 hours in the first year of employment or every calendar year thereafter, and is employed on the last day of the calendar year For the period from January 1 through June 30, 2014, CHI recorded $80 4 million of expense related to the 401(k) Savings Plan

11. Concentrations of Credit Risk

CHI grants credit without collateral to its patients, most of whom are insured under third-party payor agreements CHI's exposure to credit risk on patient accounts receivable is limited by the geographical diversity of its MBOs The mix of net patient accounts receivable at June 30 approximated the following

	2014	2013
Medicare	**27%**	28%
Medicaid	**12**	10
Managed care	**31**	31
Self-pay	**7**	7
Commercial and other	**23**	24
	100%	100%

CHI maintains long-term investments with various financial institutions and investment management firms through its investment program, and its policy is designed to limit exposure to any one institution or investment Management does not believe there are significant concentrations of credit risk at June 30, 2014 and 2013

12. Commitments and Contingencies

Litigation

During the normal course of business, CHI may become involved in litigation Management assesses the probable outcome of unresolved litigation and records estimated settlements After consultation with legal counsel, management believes that any such matters will be resolved without material adverse impact to the consolidated financial position or results of operations of CHI

Health Care Regulatory Environment

The health care industry is subject to numerous laws and regulations of federal, state and local governments These laws and regulations include, but are not limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse Management

12. Commitments and Contingencies (continued)

believes CHI is in compliance with all applicable laws and regulations of the Medicare and Medicaid programs Compliance with such laws and regulations is complex and can be subject to future governmental interpretation as well as significant regulatory action, including fines, penalties and exclusion from the Medicare and Medicaid programs Certain CHI entities have been contacted by governmental agencies regarding alleged violations of Medicare practices for certain services In the opinion of management after consultation with legal counsel, the ultimate outcome of these matters will not have a material adverse effect on CHI's consolidated financial position

Operating Leases

CHI leases certain real estate and equipment under operating leases, which may include renewal options and escalation clauses Future minimum lease payments required for the next five years and thereafter for all operating leases that have initial or remaining non-cancelable lease terms in excess of one year at June 30, 2014, are as follows (in thousands)

	Amounts Due
Year ending June 30	
2015	$ 203,656
2016	136,211
2017	119,885
2018	101,828
2019	79,734
Thereafter	151,073
	$ 792,387

Lease expense under operating leases for continuing operations for the years ended June 30, 2014 and 2013, totaled approximately $285 9 million and $222 6 million, respectively

13. Insurance Programs

FIIL, a wholly owned captive insurance company of CHI, provides hospital professional liability, employment practices liability, miscellaneous professional liability, and commercial general liability coverage, primarily to MBOs related to CHI either on a directly written basis or through reinsurance fronting relationships with commercial carriers such as PPIC Policies

13. Insurance Programs (continued)

written provide coverage with primary limits in the amount of $10 0 million for each and every claim in fiscal years 2014 and 2013, respectively For the policy year July 1, 2013 to July 1, 2014, there is an annual policy aggregate of $85 0 million eroded by hospital professional liability and commercial general liability claims, subject to a $175,000 continuing underlying per claim limit Effective July 1, 2011, FIIL provided excess umbrella liability coverage for claims in excess of the underlying limits discussed above The limits provided under such excess coverage are $200 0 million per claim and in the aggregate FIIL reinsured 100% of the excess coverage layer with various commercial insurance companies At June 30, 2014 and 2013, investments and assets limited as to use held for insurance purposes included $58 0 million and $55 0 million, respectively, held as collateral for the reinsurance fronting arrangement with PPIC

FIIL provides workers' compensation coverage, either on a directly written basis or through reinsurance fronting relationships with commercial insurance carriers Coverage of $350,000 in excess of $650,000 per claim for the policy year July 1, 2013 to July 1, 2014, and $500,000 in excess of $500,000 per claim for the policy year July 1, 2012 to July 1, 2013, is reinsured with an unrelated commercial carrier

The liability for self-insured reserves and claims represents the estimated ultimate net cost of all reported and unreported losses incurred through June 30 The reserves for unpaid losses and loss adjustment expenses are estimated using individual case-based valuations, statistical analyses and the expertise of an independent actuary

The estimates for loss reserves are subject to the effects of trends in loss severity and frequency Although considerable variability is inherent in such estimates, management believes that the reserves for unpaid losses and loss adjustment expenses are adequate The estimates are reviewed periodically, with consultation from independent actuaries, and any adjustments to the loss reserves are reflected in current operations As a result of these reviews of claims experience, estimated reserves were reduced by $21 3 million and $48 5 million in 2014 and 2013, respectively The reserves for unpaid losses and loss adjustment expenses relating to the workers' compensation program were discounted, assuming a 4 0% annual return at June 30, 2014 and 2013, to a present value of $159 1 million and $151 2 million at June 30, 2014 and 2013, respectively, and represented a discount of $52 3 million and $51 3 million in 2014 and 2013, respectively Reserves related to professional liability, employment practices and general liability are not discounted

13. Insurance Programs (continued)

FIIL holds $734 4 million and $751 9 million of investments held for insurance purposes as of June 30, 2014 and 2013, respectively Distribution of amounts from FIIL to CHI are subject to the approval of the Cayman Island Monetary Authority CHI established a captive management operation (Captive Management Initiatives, Ltd) based in the Cayman Islands, which currently manages FIIL as well as operations of other unrelated parties

CHI, through its Welfare Benefit Administration and Development Trust, provides comprehensive health and dental coverage to certain employees and dependents through a self-insured medical plan Accounts payable and accrued expenses include $69 7 million and $51 0 million for unpaid claims and claims adjustment expenses for CHI's self-insured medical plan at June 30, 2014 and 2013, respectively Those estimates are subject to the effects of trends in loss severity and frequency Although considerable variability is inherent in such estimates, management believes that the reserves for unpaid losses and loss adjustment expenses are adequate The estimates are reviewed periodically and, as adjustments to the liability become necessary, such adjustments are reflected in current operations CHI has stop-loss insurance to cover unusually high costs of care beyond a predetermined annual amount per enrolled participant

14. Subsequent Events

CHI's management has evaluated events subsequent to June 30, 2014 through September 17, 2014, which is the date these consolidated financial statements were available to be issued There have been no material events noted during this period that would either impact the results reflected herein or CHI's results going forward, except as disclosed below

Effective in August 2014, CHI entered into a definitive agreement with St Alexius Medical Center to form a regional, coordinated health system in central and western North Dakota The affiliation is subject to approvals by state regulatory agencies and is anticipated to close by the end of the calendar year

Effective in September 2014, CHI entered into a definitive agreement to become the sole sponsor of Sylvania Franciscan Health (SFH), which operates various health ministries in Ohio and Texas The SFH sponsorship transfer is expected to be complete by the end of the calendar year, subject to board approval, and approval from various federal, state and Church authorities

Reports on Federal Award Programs

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

The Board of Stewardship Trustees
Kevin E Lofton, President and Chief Executive Officer
Dean Swindle, President Enterprise Business Lines and
Chief Financial Officer
Catholic Health Initiatives

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Catholic Health Initiatives, which comprise the consolidated balance sheet as of June 30, 2014, and the related consolidated statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 17, 2014

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Catholic Health Initiatives' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Catholic Health Initiatives' internal control Accordingly, we do not express an opinion on the effectiveness of Catholic Health Initiatives' internal control

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

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses However, material weaknesses may exist that have not been identified

Compliance and Other Matters

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

Purpose of This Report

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

Ernst + Young LLP

September 17, 2014

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Report of Independent Auditors on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

The Board of Stewardship Trustees
Kevin E Lofton, President and Chief Executive Officer
Dean Swindle, President Enterprise Business Lines and
Chief Financial Officer
Catholic Health Initiatives

Report on Compliance for Each Major Federal Program

We have audited Catholic Health Initiatives' compliance with the types of compliance requirements described in the U S Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of Catholic Health Initiatives' major federal programs for the year ended June 30, 2014 Catholic Health Initiatives' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs

Catholic Health Initiatives' consolidated financial statements include operations of Appletree Court, which received $855,504 in federal awards which is not included in the schedule of expenditures of federal awards during the year ended June 30, 2014 Our audit, described below, did not include the operations of Appletree Court because Appletree Court engaged other auditors to perform an audit in accordance with OMB Circular A-133

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on each of Catholic Health Initiatives' major federal programs based on our audit of the types of compliance requirements referred to above We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred An audit includes examining, on a test basis, evidence about Catholic Health Initiatives' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program However, our audit does not provide a legal determination of Catholic Health Initiatives' compliance

Basis for Qualified Opinions on Major Federal Programs

As described in the accompanying schedule of findings and questioned costs, we were unable to obtain sufficient, appropriate audit evidence supporting the compliance of Catholic Health Initiatives with CFDA 10 557 Special Supplemental Nutrition Programs for Women, Infants, and Children as described in Finding 2014-001 – Eligibility, consequently we were unable to determine whether Catholic Health Initiatives complied with those requirements applicable to that program

As described in the accompanying schedule of findings and questioned costs, Catholic Health Initiatives did not comply with requirements regarding the following

Finding No.	CFDA No.	Program (or Cluster) Name	Compliance Requirement
2014-002	93 889	National Bioterrorism Hospital Preparedness Program	Equipment and Real Property Management

Compliance with such requirements is necessary, in our opinion, for Catholic Health Initiatives to comply with requirements applicable to that program

Qualified Opinion on Special Supplemental Nutrition Programs for Women, Infants, and Children

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinions on Major Federal Programs paragraph, Catholic Health Initiatives complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Special Supplemental Nutrition Programs for Women, Infants, and Children for the year ended June 30, 2014

Qualified Opinion on National Bioterrorism Hospital Preparedness Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinions on Major Federal Programs paragraph, Catholic Health Initiatives complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the National Bioterrorism Hospital Preparedness Program for the year ended June 30, 2014

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, Catholic Health Initiatives complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs that are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2014

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with OMB Circular A-133, and which are described in the accompanying schedule of findings and questioned costs and summarized in the table below Our opinion on each major federal program is not modified with respect to these matters

Finding No.	CFDA No.	Program (or Cluster) Name	Compliance Requirement
2014-003	Various	Research and Development	Allowable Costs/Cost Principles
2014-004	Various	Research and Development	Cash Management
2014-005	93 224	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	Special Tests and Provisions

Catholic Health Initiatives' responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs Catholic Health Initiatives' responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the responses

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Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs and summarized below to be material weaknesses

Finding No.	CFDA No.	Program (or Cluster) Name	Compliance Requirement
2014-002	93 889	National Bioterrorism Hospital Preparedness Program	Equipment and Real Property Management

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness, yet important enough to merit attention by those charged with governance We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs and summarized in the table below to be significant deficiencies

Finding No.	CFDA No.	Program (or Cluster) Name	Compliance Requirement
2014-003	Various	Research and Development	Allowable Costs/Cost Principles
2014-005	93 224	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	Special Tests and Provisions

Catholic Health Initiatives' responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs Catholic Health Initiatives' responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the responses

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

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the consolidated financial statements of Catholic Health Initiatives as of and for the year ended June 30, 2014, and have issued our report thereon dated September 17, 2014, which contained an unmodified opinion on those financial statements Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the consolidated financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole

Ernst + Young LLP

March 18, 2015

Catholic Health Initiatives

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Research & Development Cluster	Other Federal Expenditures	Total Federal Expenditures
U.S. Department of Agriculture					
Pass-Through From					
North Country Community Health Board					
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	HE-01661-03	$ –	$ 123,296	$ 123,296
Washington State Department of Health					
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	N19873000	–	68,773	68,773
Seattle – King County Department of Public Health					
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	CHS3221	–	228,713	228,713
Washington State Department of Health					
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	N20126	–	1,479,884	1,479,884
Total CFDA 10.557			–	1,900,666	1,900,666
Iowa Department of Education					
Child and Adult Care Food Program	10.558	778084	–	35,748	35,748
Pennsylvania Department of Education					
Child and Adult Care Food Program	10.558	300-06-000-1, 300-06-556-0	–	41,350	41,350
Total CFDA 10.558			–	77,098	77,098
Washington State Department of Health					
WIC Farmers' Market Nutrition Program (FMNP)	10.572	N20126	–	780	780
Total U.S. Department of Agriculture			–	1,978,544	1,978,544
U.S. Department of Defense					
Department of Defense					
Direct Award					
Military Medical Research and Development	12.420		437,960	–	437,960
Pass-Through From					
American Burn Association					
Military Medical Research and Development	12.420	W81XWH-08-1-0683	7,420	–	7,420
Wake Forest University					
Military Medical Research and Development	12.420	WFUHS 441039 CTA-09	67,177	–	67,177
Total CFDA 12.420			512,557	–	512,557
Total U.S. Department of Defense			512,557	–	512,557
U.S. Department of Housing and Urban Development					
Pass-Through From					
Lancaster County Redevelopment Authority					
Community Development Block Grants Entitlement Grants	14.218		–	14,876	14,876
City of Des Moines					
Supportive Housing Program	14.235	IA0037L7D021205, IA0038L7D021205	–	503,483	503,483
Total U.S. Department of Housing and Urban Development			–	518,359	518,359
U.S. Department of Justice					
Pass-Through From					
Colorado Department of Public Safety					
Division of Criminal Justice					
Violence Against Women Formula Grants	ARRA-16.588	12-VW-5-14, 12-VW-17-32, 13-VW-5-13, 11-VW-17-39	–	93,941	93,941
Total U.S. Department of Justice			–	93,941	93,941

Catholic Health Initiatives

Schedule of Expenditures of Federal Awards (continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Research & Development Cluster	Other Federal Expenditures	Total Federal Expenditures
U.S. Department of Transportation					
Pass-Through From					
Highway Safety Cluster					
Minnesota Department of Public Safety					
State and Community Highway Safety	20.600	3-13785	$ –	$ 776	$ 776
Nebraska Office of Highway Safety					
State and Community Highway Safety	20.600	47-0379755	–	3,680	3,680
Minnesota Department of Public Safety					
Occupant Protection Incentive Grants	20.602	SAFE13-2013-STJOEHEALTH-00038	–	3,063	3,063
Nebraska Office of Highway Safety					
Occupant Protection Incentive Grants	20.602	405-14-12-06 405-14-12-02	–	9,956	9,956
Total Highway Safety Cluster			–	17,475	17,475
Total U.S. Department of Transportation			–	17,475	17,475
Environmental Protection Agency					
Direct Award					
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	97738001	–	17,983	17,983
Total Environmental Protection Agency			–	17,983	17,983
U.S. Department of Education					
Direct Awards					
Student Financial Assistance Cluster					
Federal Supplemental Education Opportunity Grants	84.007		–	46,586	46,586
Federal Work-Study Program	ARRA-84.033		–	10,000	10,000
Federal Pell Grant	ARRA-84.063		–	1,905,918	1,905,918
Federal Direct Student Loans	84.268		–	8,512,928	8,512,928
Total Student Financial Assistance Cluster (direct)			–	10,475,432	10,475,432
Pass-Through From					
Des Moines Public Schools					
Title I Grants to Local Educational Agencies	84.010		–	7,224	7,224
Nebraska Department of Education					
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126		–	40,000	40,000
New Jersey Department of Human Services					
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	70013	–	73,500	73,500
Total CFDA 84.126			–	113,500	113,500
The University of Louisville Research Foundation, Inc.					
National Institute on Disability and Rehabilitation Research	84.133	IOICI2-0I62Z01	35,145	–	35,145
University of Nebraska Medical Center					
Special Education – Grants for Infants and Families	84.181	94-2810-248-1C4-12 94-2810-248-1C5-13 36-5507-1021-015	–	11,800	11,800
Total U.S. Department of Education			35,145	10,607,956	10,643,101

Catholic Health Initiatives

Schedule of Expenditures of Federal Awards (continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Research & Development Cluster	Other Federal Expenditures	Total Federal Expenditures
U.S. Department of Health and Human Services					
Direct Awards					
Telehealth Programs	93.211		$ –	$ 32,140	$ 32,140
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224		–	1,252,032	1,252,032
Rural Access to Emergency Devices Grant and Public Access to Defibrillation Demonstration Grant	93.259		–	133,102	133,102
Affordable Care Act (ACA) Nursing Assistant and Home Health Aide Program	93.503		–	192,606	192,606
Affordable Care Act Initiative to Reduce Avoidable Hospitalizations Among Nursing Facility Residents	93.621		–	971,655	971,655
Pass-Through From					
Area Agency on Aging of West Central Arkansas					
Special Programs for the Aging Title III, Part D Disease Prevention and Health Promotion Services	93.043		–	528	528
Aging Cluster					
Area Agency on Aging of West Central Arkansas					
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044		–	5,144	5,144
Denver Regional Council of Governments					
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	EX13031	–	107,815	107,815
Total CFDA 93.044			–	112,959	112,959
Area Agency on Aging of West Central Arkansas					
Special Programs for the Aging Title III, Part C Nutrition Services	93.045		–	33,462	33,462
Area Agency on Aging of West Central Arkansas					
Nutrition Services Incentive Program	93.053		–	11,945	11,945
Total Aging Cluster (pass-through)			–	158,366	158,366
Colorado Division of Insurance					
Special Programs for the Aging Title IV and Title II Discretionary Projects	ARRA-93.048	OE SFA 13SMP000002	–	6,749	6,749
North Country Community Health Board					
Public Health Emergency Preparedness	93.069	47765 65492	–	26,832	26,832
Appanoose County Board of Health					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	5884BT03	–	13,291	13,291
Iowa Department of Public Health					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	5884BT65 5884BT64	–	27,077	27,077
Kansas Department of Health and Environment					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074		–	127,000	127,000
Loess Hills Healthcare Coalition					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	5884BT37	–	1,669	1,669
Pennsylvania Department of Health					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	4100062712	–	35,301	35,301
Polk County Auditor's Office					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074		–	57,703	57,703
Total CFDA 93.074			–	262,041	262,041

Catholic Health Initiatives

Schedule of Expenditures of Federal Awards (continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Research & Development Cluster	Other Federal Expenditures	Total Federal Expenditures
U.S. Department of Health and Human Services (continued)					
Goodwill Easter Seals					
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	00-825-230-535 00-824-230-536	$ –	$ 78,125	$ 78,125
Health Resources and Services					
Maternal and Child Health Federal Consolidated Programs	93.110	5 H17MC25740-02-00 1 H17MC25740-01-00	–	30,773	30,773
Cincinnati Children's Hospital Medical Center					
Research Related to Deafness and Communication Disorders	93.173	5R01DC010202-02	46,116	–	46,116
The University of North Carolina					
Disease Prevention	93.184	5-42318	6,952	–	6,952
Nebraska Department of Health and Human Services					
Affordable Care Act (ACA) Abstinence Education Program	93.235	10395-Y3	–	52,990	52,990
CAHlink					
State Rural Hospital Flexibility Program	93.241		–	48,855	48,855
Nebraska Department of Health and Human Services					
State Rural Hospital Flexibility Program	93.241	20288-Y3	–	18,000	18,000
Nebraska Office of Rural Health					
State Rural Hospital Flexibility Program	93.241	20287-Y3 11460-Y3	–	66,000	66,000
University of North Dakota					
State Rural Hospital Flexibility Program	93.241	UND10098 UND10216	–	9,064	9,064
Total CFDA 93.241			–	141,919	141,919
Iowa Department of Public Health					
Substance Abuse and Mental Health Services – Projects of Regional and National Significance	93.243		–	76,346	76,346
North Country Community Health Board					
Universal Newborn Hearing Screening	93.251	3000001369	–	375	375
University of Texas Health Science Center					
Occupational Safety and Health Program	93.262	R01 OH009697-01A1	11,159	–	11,159
Nebraska Department of Health and Human Services					
Immunization Cooperative Agreements	93.268	5H23IP722562-09 5H23IP000756-02	–	6,982	6,982
North Country Community Health Board					
Immunization Cooperative Agreements	93.268		–	300	300
Total CFDA 93.268			–	7,282	7,282
American Psychological Association					
Centers for Disease Control and Prevention – Investigations and Technical Assistance	93.283		–	8,000	8,000
Iowa Department of Public Health					
Centers for Disease Control and Prevention – Investigations and Technical Assistance	93.283	5884NB01	–	14,972	14,972
Kentuckiana Regional Planning					
Centers for Disease Control and Prevention – Investigations and Technical Assistance	93.283		–	412	412
North Country Community Health Board					
Centers for Disease Control and Prevention – Investigations and Technical Assistance	93.283		–	3,400	3,400
North Dakota Department of Health					
Centers for Disease Control and Prevention – Investigations and Technical Assistance	93.283	4521HLH3214003	–	5,000	5,000
Total CFDA 93.283			–	31,784	31,784

Catholic Health Initiatives

Schedule of Expenditures of Federal Awards (continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Research & Development Cluster	Other Federal Expenditures	Total Federal Expenditures
U.S. Department of Health and Human Services (continued)					
C4Hlink					
Small Rural Hospital Improvement Grant Program	93.301		$ –	$ 69,037	$ 69,037
Iowa Department of Public Health					
Small Rural Hospital Improvement Grant Program	93.301	5884SH01, 5883SH72, 5884SH69	–	22,248	22,248
Minnesota Department of Health					
Small Rural Hospital Improvement Grant Program	93.301	3000009908	–	27,441	27,441
Nebraska Office of Rural Health					
Small Rural Hospital Improvement Grant Program	93.301		–	9,563	9,563
University of North Dakota					
Small Rural Hospital Improvement Grant Program	93.301	UND10073, UND10195, UND10178, UND10189, UND10191, UND10071, UND10085	–	43,170	43,170
Washington Department of Health					
Small Rural Hospital Improvement Grant Program	93.301	N19856	–	9,000	9,000
Total CFDA 93.301			–	180,459	180,459
Oregon Health & Science University					
Cancer Treatment Research	93.395	27469-76	9,175	–	9,175
The University of Louisville Research Foundation					
Cancer Research Manpower	93.398		11,603	–	11,603
State of Colorado Department of Human Services					
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	14 IHA 61336	–	381,921	381,921
State of Colorado Department of Public Health and Environment					
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	13 FLA 50476	–	138,171	138,171
North Country Community Health Board					
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	56659	–	210,287	210,287
Total CFDA 93.505			–	730,379	730,379
Kitsap Public Health District					
State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchange	93.525	1168	–	8,484	8,484
North Country Community Health Board					
PPHF Community Transformation Grants and National Dissemination and Support for Community Transformation Grants – financed solely by Prevention and Public Health Funds	93.531	3000006587	–	22,453	22,453
North Country Community Health Board Services					
Temporary Assistance for Needy Families	93.558		–	45,627	45,627
Nebraska Department of Health and Human Services					
Refugee and Entrant Assistance – State Administered Programs	93.566		–	633,646	633,646
Iowa Department of Human Services					
Child Care and Development Block Grant	93.575	ACFS 12-029	–	367,136	367,136
University of Alabama at Birmingham					
Health Care Innovations Awards (HCIA)	93.610	000432302-002	281,496	–	281,496
Area Agency on Aging of West Central Arkansas					
Social Services Block Grant	93.667		–	8,787	8,787

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Research & Development Cluster	Other Federal Expenditures	Total Federal Expenditures
U S Department of Health and Human Services (continued)					
North Country Community Health Board Services					
Medical Assistance Program	93 778	GRK 36406	$ –	$ 65 423	$ 65 423
Colorado Division of Insurance					
Centers for Medicare and Medicaid Services (CMS)					
Research Demonstrations and Evaluations	93 779	OE SFA 14SHIP00003			
		OE SFA 15SHIP00003	–	46 786	46 786
Washington University					
Blood Diseases and Resources Research	93 839	5U01HL088476	22 000	–	22 000
Drexel University					
Arthritis Musculoskeletal and Skin Diseases Research	93 846	232486	5 615	–	5 615
University of Medicine and Dentistry of New Jersey					
Extramural Research Programs in the Neurosciences					
and Neurological Disorders	93 853	88285	850	–	850
University of North Dakota					
Child Health and Human Development					
Extramural Research	93 865		–	15 091	15 091
Iowa Department of Public Health					
National Bioterrorism Hospital Preparedness Program	93 889	5883BHP62 5883BHP61			
		5883BHP63 5883BHP88			
		5883BHP14 5883BHP15	–	32 893	32 893
Oregon Health Authority					
National Bioterrorism Hospital Preparedness Program	93 889	139896 143824	–	1 983	1 983
Sanford Bemidji Medical Center					
National Bioterrorism Hospital Preparedness Program	93 889		–	10 408	10 408
Tennessee Department of Health					
National Bioterrorism Hospital Preparedness Program	93 889	GE1439973 GE1439968	–	51 000	51 000
West Central Minnesota Healthcare System					
National Bioterrorism Hospital Preparedness Program	93 889		–	3 910	3 910
Washington State Department of Health Washington State					
Hospital Association					
National Bioterrorism Hospital Preparedness Program	93 889	U3REP090228-02-00	–	22 252	22 252
Total CFDA 93 889			–	122 446	122 446
Madison County Memorial Hospital					
Rural Health Care Services Outreach Rural Health					
Network Development and Small Health Care					
Provider Quality Improvement Program	93 912		–	72 438	72 438
University of Louisville Research Foundation					
Grants to Provide Outpatient Early Intervention Services with					
Respect to HIV Disease	93 918	ULRF 14-0728	13 750	–	13 750
Iowa Department of Health and Human Services					
Block Grants for Community Mental Health Services	93 958	MDHA11-053			
		MDHS11-054	–	49 405	49 405
New Jersey Department of Human Services					
Block Grants for Community Mental Health Services	93 958	30305	–	315 957	315 957
Total CFDA 93 958			–	365 362	365 362
Minnesota Department of Human Services					
Block Grants for Prevention and Treatment					
of Substance Abuse	93 959	29214	–	205 947	205 947

Catholic Health Initiatives

Schedule of Expenditures of Federal Awards (continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Research & Development Cluster	Other Federal Expenditures	Total Federal Expenditures
U.S. Department of Health and Human Services (continued)					
Nebraska Department of Health and Human Services					
Preventive Health and Health Services Block Grant	93.991	2B01 DP009036-13	$ –	$ 4,020	$ 4,020
Washington State Department of Commerce – Community Services and Housing Division					
Preventive Health and Health Services Block Grant	93.991	#13-31110-1678 #14-31110-168	–	12,011	12,011
Total CFDA 93.991			–	16,031	16,031
North Country Community Health Board Services					
Maternal and Child Health Services Block Grant to the States	93.994		–	32,670	32,670
Total U.S. Department of Health and Human Services			408,716	6,394,810	6,803,526
Corporation for National and Community Service					
Pass-Through From					
Foundation for a Healthy Kentucky					
Social Innovation Fund	94.019	2012KHFI013	–	106,112	106,112
Total Corporation for National and Community Service			–	106,112	106,112
U.S. Department of Homeland Security					
Pass-Through From					
Commonwealth of Kentucky Department of Military Affairs					
Division of Emergency Management					
Hazard Mitigation Grant	97.039	HMGP DR-1855-0018-R	–	88,503	88,503
Total U.S. Department of Homeland Security			–	88,503	88,503
Total Expenditures of Federal Awards			**$ 956,418**	**$ 19,823,683**	**$ 20,780,101**

See accompanying notes to schedule of expenditures of federal awards.

Catholic Health Initiatives

Notes to Schedule of Expenditures of Federal Awards

June 30, 2014

1. General

The schedule of expenditures of federal awards (SEFA) presents expenditures for all federal programs that were in effect during the year ended June 30, 2014, for Catholic Health Initiatives (CHI), with one exception Federal expenditures in the amount of $855,504 for CFDA 14 157 – Supportive Housing for the Elderly are not presented in the SEFA as a separate audit was performed as required by the U S Department of Housing and Urban Development (HUD)

For purposes of the SEFA, federal awards include all federal assistance entered into directly between CHI and the federal government and sub-awards from nonfederal organizations made under federally sponsored agreements The SEFA does not include payments received under Medicare and Medicaid reimbursement programs

2. Basis of Accounting

Expenditures are reported on the accrual basis of accounting in accordance with U S generally accepted accounting principles The information in the SEFA is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*

3. Federal Student Loans

CHI participates in the Federal Direct Student Loans program (CFDA 84 268), which includes the Federal Stafford Loan and the Federal Parent Loans for Undergraduate Students programs New loans disbursed during the fiscal year ended June 30, 2014, totaled $8,512,928 Loans under the Federal Direct Student Loans program are made directly by the federal government to students New loans made in the fiscal year ended June 30, 2014, relating to this program are represented as current year federal expenditures, whereas the outstanding loan balances are not

4. Subrecipients

Of the federal expenditures represented in the SEFA, CHI provided federal awards to subrecipients as follows

CFDA – Program Title	Amount
12 420 – Military Medical Research and Development	$ 441,223

Catholic Health Initiatives

Schedule of Findings and Questioned Costs

Year Ended June 30, 2014

Part I – Summary of Auditor's Results

Financial statements section

Type of auditor's report issued (unmodified, qualified, adverse, or disclaimer)	Unmodified			
Internal control over financial reporting				
Material weakness(es) identified?		**Yes**	X	**No**
Significant deficiency(ies) identified?		**Yes**	X	**None reported**
Noncompliance material to financial statements noted?		**Yes**	X	**No**

Federal awards section

Internal control over major programs				
Material weakness(es) identified?	X	**Yes**		**No**
Significant deficiency(ies) identified?	X	**Yes**		**None reported**
Type of auditor's report issued on compliance for major programs (unmodified, qualified, adverse, or disclaimer)	Unmodified for all major programs, except for Special Supplemental Nutrition Program for Women, Infants, and Children, and National Bioterrorism Hospital Preparedness Program, which were qualified			
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	X	**Yes**		**No**

Part I – Summary of Auditor's Results (continued)

Identification of major programs

CFDA Number(s)	Name of Federal Program or Cluster
84 007, ARRA-84 033, ARRA-84 063, 84 268	Student Financial Assistance Cluster
Various	Research and Development Cluster
10 557	Special Supplemental Nutrition Program for Women, Infants, and Children
93 224	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)
93 505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program
93 566	Refugee and Entrant Assistance – State Administered Programs
93 575	Child Care and Development Block Grant
93 621	Affordable Care Act Initiative to Reduce Avoidable Hospitalizations Among Nursing Facility Residents
93 889	National Bioterrorism Hospital Preparedness Program
93 958	Block Grants for Community Mental Health Services

Dollar threshold used to distinguish between Type A and Type B programs $ 309,140

Auditee qualified as low-risk auditee? ______ **Yes** __X__ **No**

Part II – Financial Statement Findings Section

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the consolidated financial statements for which *Government Auditing Standards* require reporting in a Circular A-133 audit

There were no financial statement findings

Part III – Federal Award Findings and Questioned Costs Section

This section identifies the audit findings required to be reported by Circular A-133 section 510(a) (for example, material weaknesses, significant deficiencies, and material instances of noncompliance, including questioned costs), as well as any abuse findings involving federal awards that are material to a major program

Finding 2014-001 – Eligibility

Federal program information	U S Department of Agriculture CFDA 10 557 – Special Supplemental Nutrition Programs for Women, Infants, and Children (WIC) Passed Through Washington State Department of Health – St Clare Hospital (N20126) Passed through Department of Public Health, Seattle and King County – Highline Medical Center (CHS3221) Passed through North Country Community Health Board – St Joseph's Area Health Services and Lakewood Health Center
Criteria or specific requirement (including statutory, regulatory or other citation)	Scope Limitation – Eligibility per OMB Circular A-133 Section 5102(5) the auditor should report a finding when the auditor's report on compliance is other than unqualified
Condition	CHI was unable to provide sufficient documentation at St Clare Hospital in Tacoma, Washington, supporting eligibility determinations made for WIC program participants due to the use of a paperless software system required by the State of Washington and the U S Department of Agriculture
Questioned costs	$0
Context	Upon the screening of an individual for eligibility for participation in the WIC program, St Clare Hospital reviews the support for income, residency, etc , and documents the applicant's eligibility in a software program required by the State of Washington and the U S Department of Agriculture Based upon the inputs from screening, the software program indicates whether or not an individual is eligible for WIC However, St Clare Hospital is not required to and does not retain evidence of what was documented in the software program

Effect	We are not able to test eligibility compliance or controls over compliance for the WIC program at St Clare Hospital resulting in a scope limitation Due to the scope limitation at St Clare Hospital, which accounted for 78% of the WIC expenditures, the scope limitation is reported for the WIC program overall
Cause	The paperless software system used for the WIC program at St Clare Hospital does not require the retention of records supporting eligibility determination, and such records are not retained
Recommendation	None
Views of responsible officials and planned corrective actions	A scope limitation qualified opinion was issued for Catalog of Federal Domestic Assistance (CFDA) 10 557 – Special Supplemental Nutrition Programs for Women, Infants, and Children (WIC) as the auditors were unable to obtain sufficient documentation supporting the compliance of St Clare Hospital regarding eligibility for participants St Clare Hospital uses a paperless software system as required by the State of Washington and the U S Department of Agriculture Third-party documentation is reviewed by St Clare Hospital at the time the initial eligibility determination of a WIC participant is made However, due to the paperless system, these records are not retained The grantor, State of Washington, has been informed of this finding in prior years and has stated that they do not sustain this finding and that no corrective action is required As a result, no further corrective action will be taken CHI notes that this issue is isolated to St Clare Hospital and does not apply to the other CHI locations that receive funding from the WIC program

Finding 2014-002 – Material Weakness – Equipment and Real Property Management

Federal program information	U S Department of Health and Human Services (HHS) CFDA 93 889 – National Bioterrorism Hospital Preparedness Program (HPP)
Criteria or specific requirement (including statutory, regulatory or other citation)	In accordance with 2 CFR Section 215 34(f), codified by HHS at 45 CFR Section 74 34(f), property management records for equipment acquired with federal funds shall include all of the following description of equipment, serial number, model number, or other identification number, source of the equipment, including the award number, whether the title vests in the recipient or federal government, acquisition date, location and condition of equipment, unit acquisition cost, and ultimate disposition date Also, the recipient shall take a physical inventory of equipment and the results reconciled with the equipment records at least once every two years Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference The recipient shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment
Condition	CHI's property management records for equipment acquired with federal HPP funds do not include equipment from grant inception to date and also do not include all of the required information Physical inventories were not performed or documented adequately for the HPP within the last two years
Questioned costs	$0

Context	CHI did not provide equipment listings, to include equipment purchases for previous years, for the HPP For HPP – Memorial Health Care System, a list of current year equipment additions was provided and the list included all of the required information for those equipment items, however, no prior year equipment purchases were included on the list CHI did not provide evidence of a physical inventory of HPP equipment being performed in the last two years
Effect	Misappropriation or loss of equipment purchased with federal funds could occur when internal controls designed to prevent and detect noncompliance related to safeguarding and identifying federal equipment are not implemented or operating effectively
Cause	Proper controls were not fully implemented to appropriately record equipment information in the system after the equipment was received and tagged and to perform the required physical inventories every two years
Recommendation	All equipment purchased with federal funds should be appropriately tagged, and a detailed listing should be maintained with all of the required elements This listing should include equipment acquired with federal funds from grant inception A physical inventory observation of federally funded equipment should be performed and documented every two years The physical inventory could be useful to compile lists of equipment acquired in previous years that were not originally included in equipment listings when purchased
Views of responsible officials and planned corrective actions	During FY2015, CHI will compile a listing of HPP equipment purchased with federal funds since program inception that will include all required attributes CHI will also perform an inventory in FY2015 of this equipment

Finding 2014-003 – Significant Deficiency – Allowable Costs/Cost Principles

Federal program information	U S Department of Health and Human Services U S Department of Education Research and Development Cluster Jewish Hospital and St Mary's Health Care, Inc (Jewish) – CFDA 84 133 passed through the University of Louisville Research Foundation, Inc , and CFDA 93 846 passed through Drexel University (11012367) CHI Institute for Research and Innovation – CFDA 93 610 passed through the University of Alabama at Birmingham
Criteria or specific requirement (including statutory, regulatory or other citation)	As required by CFR 45 Part 74 Appendix E and OMB A-122, Attachment B, Paragraph 7, the distribution of salaries and wages must be supported by personnel activity reports for each employee whose compensation is charged in whole or in part to the award The reports must reflect an assessment of actual activity for each employee, must account for the total activity for which the employee is compensated, must be prepared at least monthly, must coincide with one or more pay periods, and must be signed by the individual employee or a supervisory official having firsthand knowledge of the activities performed by the employee Budget estimates should not be used as support for expenditures
Condition	For award 93 846, each month, the Data Coordinator would invoice Drexel University for the budgeted monthly amount of $1,500 instead of the actual hours spent on the grant The actual costs incurred working on the grant were lower than the reimbursement requested by $7,885 Additionally, for two selections, time records for December 2013 and January 2014 pay, totaling $241, were not completed with employee and supervisor approval until June 2014 For one selection, the time record for pay, totaling $69, approval was completed in August 2014, reflecting three hours were worked on the grant, although four hours were

	charged to the grant for the pay period, resulting in an excess request of $17 For award 84 133, for two selections, time records for April and May 2014 pay, totaling $3,224, were not completed until July/August 2014 For award 93 610, for one employee selection, $2,855 in salary expenses was requested for reimbursement from grantor in excess of actual expenses
Questioned costs	93 846 $8,143 84 133 $3,224 93 610 $2,855
Context	For awards 84 133 and 93 846, for five of the time records that were selected for testing, only one of the time records was approved timely in accordance with the regulations Total salary expenditures for CFDA 93 846 and 84 133 totaled $3,758 and $35,145, respectively For award 93 610, for one of five employee selections, $2,855 in salary expenses was requested for reimbursement from grantor in excess of actual expenditures Total salary expenditures for CFDA 93 610 totaled $249,965
Effect	Actual expenditures were not charged to the grant Additionally, payroll expenditures were not properly supported at the time the expenditures were charged to the federal program
Cause	Proper controls were not implemented to appropriately track and bill time and expenditures in accordance with the grant requirements

Recommendation	Personnel activity reports or time and effort records should be prepared at least monthly and coincide with one or more pay periods for employees who charge time to federal programs and be signed by the employee or supervisory official having firsthand knowledge of the activities performed by the employee Amounts billed to the awarding agency should be for actual time incurred and not based upon budget and should not exceed actual expenditures
Views of responsible officials and planned corrective actions	CHI will implement a time and effort reporting policy during FY2015 that incorporates all of the federal requirements

Finding 2014-004 – Cash Management

Federal program information	U S Department of Defense U S Army Medical Command Research and Development Cluster Jewish Hospital and St Mary's Health Care, Inc (Jewish) – CFDA 12 420 – Military Medical Research and Development passed through Wake Forest University (WFUHS 441039 CTA-09)
Criteria or specific requirement (including statutory, regulatory or other citation)	OMB Circular A-110, *Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations* requires (a) Payment methods shall minimize the time elapsing between the transfer of funds from the United States Treasury and the issuance or redemption of checks, warrants, or payment by other means by the recipients (b) Recipients are to be paid in advance, provided they maintain or demonstrate the willingness to maintain (1) written procedures that minimize the time elapsing between the transfer of funds and disbursement by the recipient, and (2) financial management systems that meet the standards for fund control and accountability as established in Section __21 Cash advances to a recipient organization shall be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the recipient organization in carrying out the purpose of the approved program or project The timing and amount of cash advances shall be as close as is administratively feasible to the actual disbursements by the recipient organization for direct program or project costs and the proportionate share of any allowable indirect costs (g) To the extent available, recipients shall disburse funds available from repayments to and interest earned on a revolving fund, program income, rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments

Condition	For CFDA 12 420 – Military Medical Research and Development, WFUHS 441039 CTA-09, the grant terms are on a reimbursement basis The reimbursement requests were submitted to and received from the pass-through agency prior to paying the subrecipient Additionally, one of the checks received through the bank lock box by Jewish for $7,421 was made payable to Jewish's subrecipient by Wake Forest University, however, Jewish cashed the check rather than returning the check to Wake Forest University
Questioned costs	$7,421
Context	CFDA 12 420 WFUHS 441039 CTA-09 represents $67,177 or 7% of total R&D Cluster expenditures, of this amount $57,730 was passed through to subrecipients by Jewish representing 6% of total R&D Cluster expenditures The payment to the subrecipients occurred as follows Reimbursement #1 $59,755 requested funds June 11, 2014, received funds June 19, 2014, paid funds to the subrecipient Sepetember 18, 2014 and September 9, 2014, respectively Reimbursement #2 $7,421 requested funds July 9, 2014, received funds July 17, 2014, paid funds to the subrecipient October 23, 2014 Additionally, the check received on July 17, 2014, was made payable to the subrecipient directly by Wake Forest University but was cashed via a lock box deposit by Jewish and then Jewish paid the subrecipient
Effect	Program funds were requested before program costs were incurred by Jewish, so the grant was not in accordance with the terms of the grant agreement Federal funds received that were not made payable to Jewish were not returned to the pass-through entity
Cause	The delay in payment to the subrecipient was due to the transition period of the Grant Manager position The check that was cashed by Jewish was processed through the lock box

Recommendation	For grants on a reimbursement basis, program costs should be paid for by CHI funds before reimbursement is requested from the pass-through entity Checks should be returned to the pass-through entity if they are not made payable to Jewish
Views of responsible officials and planned corrective actions	CHI implemented a Cash Management policy during FY2013 that incorporates all of the federal requirements Personnel at Jewish have been informed of the policy and will comply with requirements in the future

Finding 2014-005 – Significant Deficiency – Special Tests and Provisions

Federal program information	U S Department of Health and Human Services (HHS) CFDA 93 224 – Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care) – Good Samaritan Hospital, Dayton, Ohio
Criteria or specific requirement (including statutory, regulatory or other citation)	Financial Management and Control Policies Health center maintains accounting and internal control systems appropriate to the size and complexity of the organization reflecting Generally Accepted Accounting Principles (GAAP) and separates functions appropriate to organizational size to safeguard assets and maintain financial stability Health center assures an annual independent financial audit is performed in accordance with Federal audit requirements, including submission of a corrective action plan addressing all findings, questioned costs, reportable conditions, and material weaknesses cited in the Audit Report (Section 330(k)(3)(D) and (q) of the PHS Act and 45 CFR Parts 74 14, 74 21, and 74 26) Board Authority Health center governing board maintains appropriate authority to oversee the operations of the center (Section 330(k)(3)(H) of the PHS Act and 42 CFR Part 51c 304) Unless a requirement for a governing board is waived by Health Resources Services Administration (HRSA) or the center is operated by an Indian tribe or tribal or Indian organization under the Indian Self-Determination Act or an urban Indian organization under the Indian Health Care Improvement Act, the health center must have a governing board that (1) is composed of individuals, a majority of whom are being served by the center and who, as a group, represent the individuals being served by the center, (2) meets at least once a month, (3) selects the services to be provided by the center, (4) schedules the hours during which services will be provided by the center, (5) approves the center's annual budget, (6) approves the selection of a director for the center,

	and (7) except in the case of a public center, establishes general policies for the center (42 USC 254b(k)(3)(H))
Condition	Financial Management and Control Policies Samaritan Homeless Clinic, a department of Good Samaritan Hospital, developed its budget in a manner that shows anticipated federal and nonfederal resources needed to carry out the project, as required by HRSA, but it does not track the actual expenditure of federal and nonfederal funds at the transaction level The chart of accounts provides sufficient code structure to properly assign income and expenses to all departments at a high level of detail, but it had no provision that allows Samaritan Homeless Clinic to distinguish between federal and nonfederal transactions, as required by Policy Information Notice (PIN) 2013-01 Board Authority Samaritan Homeless Clinic received a waiver in 2005 that negated the HRSA requirement of monthly board meetings That waiver was deemed ineffective by HRSA as of January 1, 2014, by PIN 2014-01 that was sent electronically to Samaritan Homeless Clinic by its HRSA Program Officer in January 2014 Samaritan Homeless Clinic was operating under its own advisory committee, which had no authority, however, in accordance with program requirements, Samaritan Homeless Clinic must be operating under the grantee's (Good Samaritan Hospital) board Samaritan Homeless Clinic is considered a department of Good Samaritan Hospital and, as such, may not operate under its own board As a result, Good Samaritan Hospital was not maintaining appropriate board authority to oversee operations of Samaritan Homeless Clinic, and the board was not meeting monthly in accordance with the requirements
Questioned costs	$0

Context	We noted and tested controls and compliance for nine requirements under special tests and provisions for the Consolidated Health Centers program in relation to Samaritan Homeless Clinic For two of nine requirements, we noted noncompliance as discussed above related to financial management and control policies and board authority
Effect	Good Samaritan Hospital is noncompliant with special tests and provisions related to the federal program Due to the board authority finding, Good Samaritan Hospital sent notice to HRSA in November 2014 of its intent to relinquish the grant and request transfer to another entity for the remainder of the project period, from June 1, 2015 through October 31, 2015
Cause	Samaritan Homeless Clinic was not aware that a separate chart of accounts was needed for federal versus nonfederal transactions The waiver received by Samaritan Homeless Clinic in 2005 that negated the HRSA requirement of monthly board meetings was deemed ineffective by HRSA as of January 1, 2014, by PIN 2014-01
Recommendation	Financial and Management Controls Good Samaritan Hospital should develop additional account code structure in its chart of accounts to permit it to account for and monitor the actual use of federal and nonfederal resources in a manner consistent with its approved budget Board Authority Good Samaritan Hospital's board should maintain appropriate authority to oversee the operations of the health center and become compliant with all of aspects related to the federal program requirements over board authority or discuss other alternatives with the funding agency

Views of responsible officials and planned corrective actions	Good Samaritan Hospital submitted its intent to relinquish this grant as of June 1, 2015, due to its inability to meet the Board Authority requirement As of November 1, 2014, the start of the new grant budget period, new accounts were implemented to allow for the separate tracking of expenditures paid for with federal funds This separate tracking will be maintained until transfer of the grant is complete

Catholic Health Initiatives

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2014

Finding 2013-001 – SEFA Preparation – Reporting

Current Status This finding has been corrected During FY2014, CHI centralized the grant accounting function and has implemented the grant module within its accounting system The implementation of this module has given CHI a tool to effectively accumulate and report federal expenditures Within this module, cluster information is stored which ensures the correct classification of research and development grants

Finding 2013-002 – Eligibility – CFDA 10.557

Current Status This finding has been repeated as finding 2014-001 Franciscan Medical Group's St Clare Hospital uses a paperless software system as required by the State of Washington and the U S Department of Agriculture Third-party documentation is reviewed by St Clare Hospital at the time the initial eligibility determination of a WIC participant is made However, due to the paperless system, these records are not retained Since St Clare Hospital follows the paperless system as required by the grantor, no further corrective action will be taken

Finding 2013-003 – Procurement – CFDA 10.855, 93.887, 93.889, 93.958, and 93.621

Current Status This finding has been corrected During FY2014, CHI implemented a national procurement policy for federal grant funded purchases

Finding 2013-004 – Equipment and Real Property Management – CFDA 10.855, 93.887, and 93.889

Current Status This finding has been repeated as finding 2014-002 During FY2014, CHI implemented attributes in its fixed asset accounting module to store the required attributes for assets purchased with federal grant funds in FY2014 and forward Physical inventories of equipment purchased with federal grant funds are planned for FY2015

Finding 2013-005 – Allowable Costs/Cost Principles – CFDA 93.889 and 93.958 and R&D Cluster

Current Status This finding has been repeated as finding 2014-003 CHI began to enforce time and effort reporting requirements in FY2014 In FY2015, a time and effort reporting policy will be implemented and enforced

Finding 2013-006 – Procurement and Suspension and Debarment – CFDA 10.855

Current Status This finding has been corrected During FY2014, CHI implemented a national procurement policy for federal grant funded purchases

Finding 2013-007 – Cash Management – CFDA 93.621

Current Status CHI resolved this finding with the grantor agency prior to the issuance of the FY2013 audit report This finding resulted from a misunderstanding of whether the grant operated on a reimbursement versus cash advance basis

Finding 2013-008 –Reporting – CFDA 10.855

Current Status CHI resolved this finding by filing the 2013 report as required and included activity that took place over the term of the grant

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