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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

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

OMB No 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 10-01-2013 , 2013, and ending 09-30-2014

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

C Name of organization
BEATRICE COMMUNITY HOSPITAL & HEALTH CENTER INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
4800 HOSPITAL PARKWAY

City or town, state or province, country, and ZIP or foreign postal code
BEATRICE, NE 683106906

D Employer identification number
47-0379834

E Telephone number
(402) 228-3344

G Gross receipts $ 68,074,482

F Name and address of principal officer
ALAN STREETER
4800 HOSPITAL PARKWAY
BEATRICE, NE 683106906

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 BEATRICECOMMUNITYHOSPITAL COM

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

L Year of formation 1968

M State of legal domicile NE

Part I Summary

1 Briefly describe the organization's mission or most significant activities
BEATRICE COMMUNITY HOSPITAL AND HEALTH CENTER, INC IS DEDICATED TO BEING THE HEALTHCARE RESOURCE FOR THE COMMUNITIES WE SERVE BY PROVIDING QUALITY SERVICES AND COMPASSIONATE CARE OUR VISION STATEMENT IS TO BE THE TRUSTED CHOICE FOR EXEMPLARY, COMPASSIONATE, PATIENT-AND-FAMILY-CENTERED HEALTHCARE FOR BEATRICE AND THE COMMUNITIES WE SERVE

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	15
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	11
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	518
6	Total number of volunteers (estimate if necessary)	**6**	58
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	98,338
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	92,206

		Prior Year	Current Year
Revenue **8**	Contributions and grants (Part VIII, line 1h)	193,134	256,268
9	Program service revenue (Part VIII, line 2g)	57,645,519	67,217,959
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	186,749	-12,831
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	403,651	546,080
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	58,429,053	68,007,476
Expenses **13**	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	269,411	251,217
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)	29,360,142	35,959,289
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	26,515,258	28,087,811
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	56,144,811	64,298,317
19	Revenue less expenses Subtract line 18 from line 12	2,284,242	3,709,159

		Beginning of Current Year	End of Year
Net Assets or Fund Balances **20**	Total assets (Part X, line 16)	87,753,069	91,215,226
21	Total liabilities (Part X, line 26)	50,128,974	49,991,177
22	Net assets or fund balances Subtract line 21 from line 20	37,624,095	41,224,049

Part II Signature Block

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

Sign Here

****** | 2015-05-04
Signature of officer | Date

ALAN STREETER CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
BARBARA J FAJEN				P00400874
Firm's name ▶ SEIM JOHNSON LLP			Firm's EIN ▶ 47-6097913	
Firm's address ▶ 18081 BURT STREET SUITE 200 OMAHA, NE 680224722			Phone no (402) 330-2660	

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

BEATRICE COMMUNITY HOSPITAL AND HEALTH CENTER IS DEDICATED TO BEING THE HEALTHCARE RESOURCE FOR THE COMMUNITIES WE SERVE BY PROVIDING QUALITY SERVICES AND COMPASSIONATE CARE

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 $ 48,428,980 including grants of $ 0) (Revenue $ 55,645,282)

HOSPITAL INPATIENT AND OUTPATIENT CARE SERVICES INCLUDE ANCILLARY AND ACUTE CARE ALONG WITH SERVING AS A CLINICAL EDUCATION SITE FOR STUDENTS FOR AREAS INVOLVING THE PHYSICAL THERAPY DEPARTMENT, THE EMERGENCY DEPARTMENT, THE SPEECH PATHOLOGY DEPARTMENT, THE OCCUPATIONAL THERAPY DEPARTMENT, AND THE NURSING DEPARTMENT

4b (Code) (Expenses $ 4,663,157 including grants of $) (Revenue $ 7,762,121)

PHYSICIAN CLINICS SERVICES INCLUDE ACUTE CARE SERVICES AS WELL AS PROVIDING SPORTS PHYSICALS FOR LOCAL HIGH SCHOOL ATHLETES AND FOR PARTICIPANTS IN THE SPECIAL OLYMPICS

4c (Code) (Expenses $ 1,706,197 including grants of $) (Revenue $ 2,457,595)

HOSPICE/LONG-TERM CARE SERVICES INCLUDE CARE-TAKING FOR THE ELDERLY ALONG WITH PROVIDING A GRIEF RECOVERY PROGRAM FOR THOSE PEOPLE WHO HAVE LOST A LOVED ONE TO DEATH HOME HEALTH IS AVAILABLE FOR PEOPLE OF ALL AGES, ASSISTING THEM IN THE RECOVERY AND REHABILITATION FROM ALL TYPES OF ILLNESS, INJURIES AND OTHER HEALTH PROBLEMS SKILLED INTERMITTENT HOME CARE THAT IS PHYSICIAN ORDERED IS PROVIDED BY REGISTERED NURSES, PHYSICAL, OCCUPATIONAL AND SPEECH THERAPISTS AND NURSE AIDES AREAS SERVED INCLUDE GAGE, JEFFERSON, PAWNEE AND SALINE COUNTIES

(Code) (Expenses $ 556,908 including grants of $ 251,217) (Revenue $ 1,430,659)

OTHER PROGRAM

4d Other program services (Describe in Schedule O)

(Expenses $ 556,908 including grants of $ 251,217) (Revenue $ 1,430,659)

4e **Total program service expenses** ▶ 55,355,242

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	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**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *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**	Yes	
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**	Yes	
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**		
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	31		
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	518		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			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**	11		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**			No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**			No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**			No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

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

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

Section C. Disclosure

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

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

▶ALAN STREETER CFO 4800 HOSPITAL PARKWAY
BEATRICE, NE 68310 (402) 228-3344

Part VII **Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

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

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

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) JOHN RYPMA CHAIRMAN (OCT 2013-JAN 2014)	5 00 3 00	X		X				0	0	0
(2) MITCHELL DEINES CHAIRMAN (FEB 2014-PRESENT)	4 00 2 00	X		X				0	0	0
(3) LARRY THIMM VICE-CHAIRMAN (FEB 2014-PRESENT)	3 00 1 00	X		X				0	0	0
(4) LEROY JANZEN SECRETARY (FEB 2014-PRESENT)	3 00 0 00	X		X				0	0	0
(5) JAMES ENSZ TREASURER (FEB 2014-PRESENT)	3 00 2 00	X		X				0	0	0
(6) JAMES BAUER MEMBER	2 00 1 00	X						0	0	0
(7) CHRISTINE BECKMAN LMT MEMBER	2 00 0 00	X						0	0	0
(8) BLAKE BUTLER MD MEMBER	40 00 0 00	X						527,707	0	0
(9) DARIN HOFFMAN MD MEMBER	39 00 1 00	X						282,486	0	15,000
(10) BARBARA JOHNSEN CPA MEMBER	2 00 0 00	X						0	0	0
(11) STEPHANIE PERKINS MEMBER	2 00 0 00	X						0	0	0
(12) BOB REED MEMBER	2 00 0 00	X						0	0	0
(13) ERIC THOMSEN MD MEMBER	40 00 0 00	X						158,546	0	0
(14) VERDELLA VETROVSKY MEMBER	2 00 0 00	X						0	0	0
(15) BRENDA MCNIFF MEMBER	2 00 0 00	X						0	0	0
(16) THOMAS SOMMERS CEO	36 00 4 00			X				343,668	0	36,951
(17) ALAN STREETER CFO	36 00 4 00			X				151,468	0	17,386

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) DEREK WEICHEL MD PHYSICIAN	40 00 0 00					X		571,945	0	28,236
(19) BRETT STUDLEY MD PHYSICIAN	40 00 0 00					X		396,640	0	42,123
(20) RONALD BEAR MD PHYSICIAN	40 00 0 00					X		375,841	0	25,597
(21) AMANDA MCKINNEY MD PHYSICIAN	40 00 0 00					X		330,641	0	40,192
(22) MICHAEL HAVEKOST MD PHYSICIAN	40 00 0 00					X		333,862	0	15,000

1b	**Sub-Total** . . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . . ▶	3,472,804	0	220,485

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 ▶ 36

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
SEIM JOHNSON LLP 18081 BURT STREET SUITE 200 OMAHA NE 68022	FINANCIAL - AUDIT SERVICES	104,532

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 ▶ 1

Part VIII Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations . . .	1d	204,368			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	51,900			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		256,268			
Program Service Revenue			Business Code				
	2a	PATIENT SERVICE - PRIVATE PAY	621110	33,662,289	33,662,289		
	b	PATIENT SERVICE - MEDICARE & MEDI	621110	32,202,709	32,202,709		
	c	EHR INCENTIVE PAYMENTS	621110	520,840	520,840		
	d	PHARMACY REVENUE	621300	270,543	270,543		
	e	340B PROGRAM REVENUE	621300	254,034	254,034		
	f	All other program service revenue		307,544	307,544		
	g	**Total.** Add lines 2a–2f . . . . . ▶		67,217,959			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		54,175			54,175
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					
			(i) Real / (ii) Personal				
	6a	Gross rents	83,505				
	b	Less rental expenses	0				
	c	Rental income or (loss)	83,505				
	d	Net rental income or (loss) . . . . . ▶		83,505			83,505
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory					
	b	Less cost or other basis and sales expenses		67,006			
	c	Gain or (loss)		-67,006			
	d	Net gain or (loss) . . . . . ▶		-67,006			-67,006
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from fundraising events . . ▶					
	9a	Gross income from gaming activities See Part IV, line 19 . . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities . . ▶					
	10a	Gross sales of inventory, less returns and allowances . a					
	b	Less cost of goods sold . . b					
	c	Net income or (loss) from sales of inventory . . ▶					
		Miscellaneous Revenue	Business Code				
	11a	CAFETERIA REVENUE	722210	262,830			262,830
	b	MHR HOME CARE LLC	446199	98,338		98,338	
	c	PURCHASE DISCOUNTS	900099	77,698	77,698		
	d	All other revenue		23,709			23,709
	e	**Total.** Add lines 11a–11d . . . . . ▶		462,575			
	12	**Total revenue.** See Instructions . . . . . ▶		68,007,476	67,295,657	98,338	357,213

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	251,217	251,217		
2 Grants and other assistance to individuals in the United States See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	1,533,212	983,739	549,473	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	29,969	29,969		
7 Other salaries and wages	26,101,659	23,312,367	2,789,292	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,115,848	994,469	121,379	
9 Other employee benefits	5,452,482	4,747,094	705,388	
10 Payroll taxes	1,726,119	1,520,676	205,443	
11 Fees for services (non-employees)				
a Management				
b Legal	107,748		107,748	
c Accounting	15,335		15,335	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	4,640,061	3,179,284	1,460,777	
12 Advertising and promotion	290,982	144,269	146,713	
13 Office expenses	2,888,954	2,455,268	433,686	
14 Information technology	839,684	121,951	717,733	
15 Royalties				
16 Occupancy	1,369,853	1,339,744	30,109	
17 Travel	138,259	134,618	3,641	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	249,549	187,597	61,952	
20 Interest	2,589,424	2,589,424		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	5,957,070	4,613,779	1,343,291	
23 Insurance	214,757	205,174	9,583	
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 INCOME TAXES	9,763		9,763	
b MEDICAL SUPPLIES	6,412,116	6,412,116		
c BAD DEBTS	1,922,779	1,922,779		
d LICENSES & DUES	202,913	134,593	68,320	
e All other expenses	238,564	75,115	163,449	
25 **Total functional expenses.** Add lines 1 through 24e	64,298,317	55,355,242	8,943,075	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		1,030	1	1,030
	2	Savings and temporary cash investments		13,143,407	2	20,676,727
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		8,270,780	4	10,494,910
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		34,131	5	75,206
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		2,166,707	8	2,293,066
	9	Prepaid expenses and deferred charges		614,698	9	800,939
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 87,318,329			
	b	Less accumulated depreciation	10b 38,222,853	53,538,910	10c	49,095,476
	11	Investments—publicly traded securities		5,139,222	11	5,134,551
	12	Investments—other securities See Part IV, line 11		672,291	12	565,500
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		4,171,893	15	2,077,821
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		87,753,069	16	91,215,226
Liabilities	17	Accounts payable and accrued expenses		7,173,974	17	8,101,177
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		42,955,000	20	41,890,000
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D			25	
	26	**Total liabilities.** Add lines 17 through 25		50,128,974	26	49,991,177
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		37,140,442	27	40,844,543
	28	Temporarily restricted net assets		483,653	28	379,506
	29	Permanently restricted net assets			29	
		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		37,624,095	33	41,224,049
	34	Total liabilities and net assets/fund balances		87,753,069	34	91,215,226

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	68,007,476
2	Total expenses (must equal Part IX, column (A), line 25)	2	64,298,317
3	Revenue less expenses Subtract line 2 from line 1	3	3,709,159
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	37,624,095
5	Net unrealized gains (losses) on investments	5	-5,058
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	-104,147
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	41,224,049

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BEATRICE COMMUNITY HOSPITAL & HEALTH CENTER INC

Employer identification number
47-0379834

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

Facts And Circumstances Test		
Return Reference	Explanation	

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.
▶ See separate instructions. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
BEATRICE COMMUNITY HOSPITAL & HEALTH CENTER INC	47-0379834

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $ _____

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

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

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

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

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

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		5,160
j	Total Add lines 1c through 1i			5,160
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Return Reference	Explanation
PART II-B, LINE 1	BCH IS A MEMBER OF THE AMERICAN HOSPITAL ASSOCIATION(AHA) AND THE NEBRASKA HOSPITAL ASSOCIATION(NHA) FOR 2014, THE AHA AND NHA HAVE ESTIMATED THAT 23 98% AND 10 20%, RESPECTIVELY, OF MEMBERSHIP DUES WILL BE USED FOR LOBBYING ACTIVITIES

Part IV Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BEATRICE COMMUNITY HOSPITAL & HEALTH CENTER INC

Employer identification number
47-0379834

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

		(a) Current year	(b) Prior year	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	1,288,188	1,184,704	1,017,976	1,128,237	1,074,190
b	Contributions			5,955	6,015	7,169
c	Net investment earnings, gains, and losses	46,801	103,484	160,773	-116,276	46,878
d	Grants or scholarships					
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance	1,334,989	1,288,188	1,184,704	1,017,976	1,128,237

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

- a Board designated or quasi-endowment ▶ 82 650 %
- b Permanent endowment ▶ 13 920 %
- c Temporarily restricted endowment ▶ 3 430 %

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		901,362		901,362
b Buildings		22,916,170	8,411,948	14,504,222
c Leasehold improvements				
d Equipment		57,689,430	28,731,036	28,958,394
e Other	271,577	5,539,790	1,079,869	4,731,498
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				49,095,476

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶		

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	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	

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	65,975,492
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	-5,058		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	-104,147		
e	Add lines **2a** through **2d**			2e	-109,205
3	Subtract line **2e** from line **1**			3	66,084,697
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	1,922,779		
c	Add lines **4a** and **4b**			4c	1,922,779
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	68,007,476

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	62,375,538
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	62,375,538
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	1,922,779		
c	Add lines **4a** and **4b**			4c	1,922,779
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	64,298,317

Part XIII Supplemental Information

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

Return Reference	Explanation
PART V, LINE 4	THE ENDOWMENT FUNDS ARE HELD BY BEATRICE COMMUNITY HOSPITAL FOUNDATION, INC , A SUPPORTING ORGANIZATION OF BEATRICE COMMUNITY HOSPITAL AND HEALTH CENTER THESE FUNDS ARE BEING HELD TO PROVIDE HEALTH PROFESSIONAL SCHOLARSHIPS AND SUPPORT THE BEATRICE COMMUNITY HOSPITAL HOSPICE PROGRAM
PART X, LINE 2	THE HOSPITAL IS A NOT-FOR-PROFIT CORPORATION AS DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE THE HOSPITAL HAS RECEIVED A DETERMINATION LETTER THAT IT IS EXEMPT FROM FEDERAL INCOME TAXES ON RELATED INCOME PURSUANT TO SECTION 501(A) OF THE INTERNAL REVENUE CODE THE INTERNAL REVENUE SERVICE HAS ESTABLISHED STANDARDS TO BE MET TO MAINTAIN TAX EXEMPT STATUS IN GENERAL, SUCH STANDARDS REQUIRE THE HOSPITAL TO MEET A COMMUNITY BENEFIT STANDARD AND COMPLY WITH VARIOUS LAWS AND REGULATIONS THE HOSPITAL ACCOUNTS FOR UNCERTAINTIES IN ACCOUNTING FOR INCOME TAX ASSETS AND LIABILITIES USING GUIDENCE INCLUDED IN FASB ASC TOPIC 740, INCOME TAXES THE HOSPITAL RECOGNIZES THE EFFECT OF INCOME TAX POSITIONS ONLY IF THOSE POSITIONS ARE MORE LIKELY THAN NOT OF BEING SUSTAINED AT SEPTEMBER 30, 2014, THE HOSPITAL HAD NO UNCERTAIN TAX POSITIONS ACCRUED WITH FEW EXCEPTIONS, THE HOSPITAL IS NO LONGER SUBJECT TO INCOME TAX EXAMINATIONS FOR THE YEARS ENDED PRIOR TO 2011
PART XI, LINE 2D - OTHER ADJUSTMENTS	CHANGE IN INTEREST IN BEATRICE COMMUNITY HOSPITAL FOUNDATION -104,147
PART XI, LINE 4B - OTHER ADJUSTMENTS	PROVISION FOR BAD DEBTS 1,922,779
PART XII, LINE 4B - OTHER ADJUSTMENTS	PROVISION FOR BAD DEBTS 1,922,779

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BEATRICE COMMUNITY HOSPITAL & HEALTH CENTER INC

Employer identification number
47-0379834

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			985,893	0	985,893	1 580 %
b Medicaid (from Worksheet 3, column a)			6,399,294	5,739,352	659,942	1 060 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			7,385,187	5,739,352	1,645,835	2 640 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			3,412,492	0	3,412,492	5 470 %
f Health professions education (from Worksheet 5)			449,799	0	449,799	0 720 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j **Total.** Other Benefits			3,862,291		3,862,291	6 190 %
k **Total.** Add lines 7d and 7j			11,247,478	5,739,352	5,508,126	8 830 %

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount 2 1,922,779			
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit 3 0			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	22,600,641
6	Enter Medicare allowable costs of care relating to payments on line 5	6	22,395,139
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	205,502
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

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

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year? 1

	Name, address, primary website address, and state license number	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
	See Additional Data Table										

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group BEATRICE COMM HOSP & HEALTH CENTER INC

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

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW BEATRICECOMMUNITYHOSPITAL COM			
b	☐ Other website (list url)			
c	☐ Available upon request from the hospital facility			
d	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☑ Participation in the execution of a community-wide plan			
e	☑ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**	Yes	
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 200 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☐ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Residency			
i ☑ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☑ The policy was attached to billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☑ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			

Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information *(continued)*

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

Form and Line Reference	Explanation
See Additional Data Table	

Part V Facility Information *(continued)*

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

How many non-hospital health care facilities did the organization operate during the tax year? **5**

	Name and address	Type of Facility (describe)
1	WOMEN'S HEALTH CENTER OF BEATRICE 4800 HOSPITAL PARKWAY PO BOX 278 BEATRICE,NE 68310	OUTPATIENT OB/GYN CLINIC
2	WYMORE MEDICAL CLINIC 116 EAST H STREET WYMORE,NE 68318	OUTPATIENT PHYSICIAN CLINIC
3	GAGE COUNTY MEDICAL CLINIC 1101 N 10TH STREET BEATRICE,NE 68310	OUTPATIENT PHYSICIAN CLINIC
4	BEATRICE MEDICAL CENTER 805 W COURT STREET BEATRICE,NE 68310	OUTPATIENT PHYSICIAN CLINIC
5	BEATRICE INTERNAL MEDICINE 1201 N 10TH STREET BEATRICE,NE 68310	OUTPATIENT PHYSICIAN CLINIC
6		
7		
8		
9		
10		

Part VI Supplemental Information

Provide the following information

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

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

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

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

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

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

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

Form and Line Reference	Explanation
PART I, LINE 3C	FEDERAL POVERTY GUIDELINES ARE USED TO DETERMINE ELIGIBILITY FOR PROVIDING FREE AND DISCOUNTED CARE TO LOW INCOME INDIVIDUALS

Form and Line Reference	Explanation
PART I, LINE 6A	BEATRICE COMMUNITY HOSPITAL & HEALTH CENTER INC 'S COMMUNITY BENEFIT REPORT IS NOT PREPARED BY A RELATED ORGANIZATION

Form and Line Reference	Explanation
PART I, LINE 7	THE COST TO CHARGE RATIO WAS USED TO DETERMINE CHARITY CARE AND MEANS-TESTED GOVERNMENT PROGRAMS AT COST OTHER COMMUNITY BENEFIT EXPENSES ARE STATED AT COST AS DERIVED FROM BEATRICE COMMUNITY HOSPITAL AND HEALTH CENTER'S INTERNAL ACCOUNTING RECORDS

Form and Line Reference	Explanation
PART I, LINE 7G	AS THERE ARE NO SUBSIDIZED HEALTH SERVICES REPORTED ON LINE 7G, THERE ARE NO COSTS ATTRIBUTABLE TO A PHYSICIAN CLINIC ON LINE 7G

Form and Line Reference	Explanation
PART I, LN 7 COL(F)	THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $1,922,779

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	NOT APPLICABLEOUR MOST SIGNIFICANT "COMMUNITY BENEFIT" ACTIVITIES WOULD INCLUDE 1 READY, SET, GO! BACK-TO-SCHOOL PROGRAM BCHHC PARTNERS WITH THE BEATRICE SALVATION ARMY TO PROVIDE A VARIETY OF FREE SERVICES AND ITEMS TO MEET THE BACK-TO-SCHOOL NEEDS OF LOW-INCOME GAGE COUNTY RESIDENTS DURING THIS EVENT, FAMILIES CAN RECEIVE FREE SCHOOL PHYSICALS, A PACKAGE OF PERSONAL CARE ITEMS LIKE A TOOTHBRUSH AND TOOTHPASTE, AND A BACKPACK WITH SCHOOL SUPPLIES IN ADDITION, THERE ARE EDUCATIONAL BOOTHS ON NUTRITION AND DIABETES AS WELL AS INFORMATIONAL BOOTHS BY ORGANIZATIONS SUCH AS BOY SCOUTS AND GIRL SCOUTS 2 JOB SHADOWING BCHHC OFFERS AN EXTENSIVE JOB SHADOWING PROGRAM THAT ALLOWS UPPER HIGH SCHOOL AND COLLEGE-AGED STUDENTS TO SHADOW PHYSICIANS AND CLINICAL STAFF IN ANY DEPARTMENT FOR A FIRST-HAND LOOK AT HEALTH-RELATED CAREERS 3 PEOPLE CARING FOR PEOPLE PEOPLE CARING FOR PEOPLE IS A FREE HOSPITAL SERVICE THAT SENDS A REGISTERED NURSE TO THE HOMES OF ALL NEWBORNS IN THE COUNTY TO ENSURE THAT NEWBORNS ARE THRIVING IN THE HOME AND PARENTS CAN ASK QUESTIONS AND LEARN ABOUT RESOURCES IN THE COMMUNITY

Form and Line Reference	Explanation
PART III, LINE 2	IN EVALUATING THE COLLECTIBILITY OF ACCOUNTS RECEIVABLE, THE HOSPITAL ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR BAD DEBTS MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAYOR SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY COVERAGE, THE HOSPITAL ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS (WHICH INCLUDES BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL), THE HOSPITAL RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE THE DIFFERENCE BETWEEN THE STANDARD RATES (OR THE DISCOUNTED RATES IF NEGOTIATED) AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS PAYMENT FOR SERVICES IS EXPECTED WITHIN THIRTY DAYS OF RECEIPT OF BILLING ACCOUNTS CONSIDERED PAST DUE ARE PURSED IN-HOUSE FOR APPROXIMATELY 60 DAYS FROM THE DATE OF FIRST BILLING AND THEN ARE SENT TO A COLLECTION AGENCY ANY AMOUNTS DEEMED UNCOLLECTIBLE ARE WRITTEN OFF ON A MONTHLY BASIS THE HOSPITAL DOES NOT CHARGE INTEREST ON OUTSTANDING BALANCES OWED

Form and Line Reference	Explanation
PART III, LINE 3	NOT APPLICABLE

Form and Line Reference	Explanation
PART III, LINE 4	THE ORGANIZATION'S FINANCIAL STATEMENTS DO NOT CONTAIN A SPECIFIC FOOTNOTE DESCRIBING BAD DEBT HOWEVER, THE FOLLOWING IS THE TEXT OF THE FOOTNOTES TITLED "PATIENT RECEIVABLES, NET," "NET PATIENT SERVICE REVENUE" AND "CHARITY CARE" PATIENT RECEIVABLES, NET THE HOSPITAL REPORTS PATIENT ACCOUNTS RECEIVABLE FOR SERVICES RENDERED AT NET REALIZABLE AMOUNTS FROM THIRD-PARTY PAYORS, PATIENTS AND OTHERS ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR DOUBTFUL ACCOUNTS IN EVALUATING THE COLLECTIBILITY OF ACCOUNTS RECEIVABLE, THE HOSPITAL ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR BAD DEBTS MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAYOR SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY COVERAGE, THE HOSPITAL ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS (WHICH INCLUDES BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL), THE HOSPITAL RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE THE DIFFERENCE BETWEEN THE STANDARD RATES (OR THE DISCOUNTED RATES IF NEGOTIATED) AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS PAYMENT FOR SERVICES IS EXPECTED WITHIN THIRTY DAYS OF RECEIPT OF BILLING ACCOUNTS CONSIDERED PAST DUE ARE PURSED IN-HOUSE FOR APPROXIMATELY 60 DAYS FROM THE DATE OF FIRST BILLING AND THEN ARE SENT TO A COLLECTION AGENCY ANY AMOUNTS DEEMED UNCOLLECTIBLE ARE WRITTEN OFF ON A MONTHLY BASIS THE HOSPITAL DOES NOT CHARGE INTEREST ON OUTSTANDING BALANCES OWED NET PATIENT SERVICE REVENUE NET PATIENT SERVICE REVENUE IS REPORTED AT THE ESTIMATED NET REALIZABLE AMOUNTS FROM PATIENTS, THIRD-PARTY PAYORS, AND OTHERS FOR SERVICES RENDERED, INCLUDING ESTIMATED RETROACTIVE ADJUSTMENTS UNDER REIMBURSEMENT AGREEMENTS WITH THIRD-PARTY PAYORS RETROACTIVE ADJUSTMENTS ARE ACCRUED ON AN ESTIMATED BASIS IN THE PERIOD THE RELATED SERVICES ARE RENDERED AND ADJUSTED IN FUTURE PERIODS AS FINAL SETTLEMENTS ARE DETERMINED CHARITY CARE THE HOSPITAL PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS CHARITY CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN ITS ESTABLISHED RATES BECAUSE THE HOSPITAL DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, THEY ARE NOT REPORTED AS REVENUE IN THE STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS THE HOSPITAL IS DEDICATED TO PROVIDING COMPREHENSIVE HEALTHCARE SERVICES TO ALL SEGMENTS OF SOCIETY, INCLUDING THE AGED AND OTHERWISE ECONOMICALLY DISADVANTAGED IN ADDITION, THE HOSPITAL PROVIDES A VARIETY OF COMMUNITY HEALTH SERVICES AT OR BELOW COST

Form and Line Reference	Explanation
PART III, LINE 8	"MEDICARE ALLOWABLE COSTS OF CARE" WAS CALCULATED FROM INFORMATION IN THE MEDICARE COST REPORT, D, E, H AND M WORKSHEETS, OR PS&R

Form and Line Reference	Explanation
PART III, LINE 9B	CHARITY CARE DOCUMENTS AND EDUCATION ARE PROVIDED AT THE POINTS OF REGISTRATION (I E , ED AND OUTPATIENT) INFORMATION RELATED TO AVAILABILITY IS IDENTIFIED ON THE MONTHLY STATEMENTS THE PATIENT ACCOUNT REPRESENTATIVES FOR "SELF PAY" PATIENTS NOTIFY THE PATIENT/GUARANTOR DURING COLLECTION CALLS OF THE AVAILIBILITY OF FINANCIAL ASSISTANCE THE FINANCIAL ASSISTANCE POLICY AND APPLICATION FOR FINANCIAL ASSISTANCE ARE AVAILABLE ON THE WEBSITE THE COLLECTIONS - CHARITY WRITE-OFF POLICY PROVIDES THAT ONCE THE RESPONSIBLE PARTY HAS BEEN DETERMINED TO BE ELIGIBLE FOR PATIENT FINANCIAL ASSISTANCE, A LETTER TO THE RESPONSIBLE PARTY WILL BE SENT INDICATING THE FREE CARE AMOUNT AND THE REMAINING BALANCE DUE THE BALANCE DUE MAY BE PAID BY INSTALLMENT PAYMENTS USING THE GUIDELINES OF THE HOSPITAL POLICY ON COLLECTIONS OF PRIVATE PAY ACCOUNTS

Form and Line Reference	Explanation
PART VI, LINE 2	THE DEMAND ANALYSIS PERFORMED BEGINS WITH THE ASSUMPTION THE HISTORICAL TRENDS WILL BE CONTINUED BUT AUGMENTED BY INCREASED GROWTH IN INPATIENT AND OUTPATIENT SERVICES THE FOLLOWING ARE ELEMENTS OF PLANNING USED BY MANAGEMENT IN FORMULATING THE DEMAND FOR HOSPITAL SERVICES - MARKET ASSESSMENT OF OTHER HEALTHCARE PROVIDERS WITHIN THE SERVICE AREA- HISTORIC AND FORECASTED INPATIENT AND OUTPATIENT UTILIZATION WITH THE SERVICE AREA- MARKET SHARE BY SERVICE AND HOSPITAL USE RATES- SERVICE AREA USE RATES- HOSPITAL'S MEDICAL STAFF

Form and Line Reference	Explanation
PART VI, LINE 3	CHARITY CARE DOCUMENTS AND EDUCATION ARE PROVIDED AT THE POINTS OF REGISTRATION (I E , ED AND OUTPATIENT) INFORMATION RELATED TO AVAILABILITY IS IDENTIFIED ON THE MONTHLY STATEMENTS THE PATIENT ACCOUNT REPRESENTATIVES FOR "SELF PAY" PATIENTS NOTIFY THE PATIENT/GUARANTOR DURING COLLECTION CALLS OF THE AVAILIBILITY OF FINANCIAL ASSISTANCE THE FINANCIAL ASSISTANCE POLICY AND APPLICATION FOR FINANCIAL ASSISTANCE ARE AVAILABLE ON THE WEBSITE

Form and Line Reference	Explanation
PART VI, LINE 4	BEATRICE, NE IS LOCATED IN GAGE COUNTY IN THE SOUTHEASTERN PART OF NEBRASKA BEATRICE IS LOCATED 40 MILES SOUTH OF LINCOLN, NE THE CLOSEST HOSPITAL FACILITY IS 32 MILES WEST THE MAIN COMPETITION IS FROM TWO LINCOLN, NE HOSPITALS THE PRIMARY SERVICE AREA (PSA) HAS BEEN DEFINED AS BEATRICE/ZIP CODE 68310 COUNTY AND HAS AN AGING POPULATION THAT UTILIZES HOSPITAL HEALTH SERVICES THE AGE GROUP OF 65 AND OVER COMPRISES 20% OF THE TOTAL POPULATION OF THE PSA FOR THE HOSPITAL IN 2008 AND THAT AGE DEMOGRAPHIC IS PROJECTED TO INCREASE TO 21% IN THE NEXT TEN YEARS

Form and Line Reference	Explanation
PART VI, LINE 5	BEATRICE COMMUNITY HOSPITAL BUDGETS ANNUALLY SALARY EXPENSES OF APPROXIMATELY $45,000 FOR WELLNESS PROGRAMS TO BENEFIT THE HEALTH-RELATED PROGRAMS SPONSORED BY THE HOSPITAL AND OTHER ORGANIZATIONS IN THE COMMUNITY THE HOSPITAL SPONSORS AN ANNUAL HEALTH FAIR EVERY SPRING WITH FREE OR REDUCED COST SCREENINGS AND A VARIETY OF EDUCATIONAL BOOTHS BY HOSPITAL DEPARTMENTS AND COMMUNITY PARTNERS A FREE DIABETES HEALTH FAIR FOR THE COMMUNITY IS HELD IN THE FALL DIABETES EDUCATORS PROVIDE EDUCATIONAL PROGRAMS, ALONG WITH FREE SCREENINGS FREE ONGOING EDUCATIONAL PROGRAMS ON HEALTH TOPICS, KNOWN AS HEALTHY CONNECTIONS, ARE HELD THROUGHOUT THE YEAR FEATURING TOPICS SUCH AS DIABETES, NUTRITION, HEART DISEASE AND MEDICARE EVENING IN PINK IS AN ANNUAL EDUCATIONAL AND FELLOWSHIP PROGRAM HELD IN OCTOBER TO RAISE AWARENESS ABOUT BREAST CANCER IN ADDITION, THE HOSPITAL PARTICIPATES IN THE ANNUAL AMERICAN CANCER SOCIETY RELAY FOR LIFE EVENT BY SERVING A FREE MEAL TO ALL PARTICIPATING CANCER SURVIVORS TO KICK OFF THE RELAY EVENT PEOPLE CARING FOR PEOPLE PROVIDES IN-HOME ASSESSMENTS AND EDUCATIONAL RESOURCES TO EACH FAMILY WITH A NEWBORN THAT RESIDES IN GAGE COUNTY THE HOME VISITATION PROGRAM PROMOTES POSITIVE PARENTING SKILLS A PARTNERSHIP OF BEATRICE COMMUNITY HOSPITAL, THE SALVATION ARMY AND THE BEATRICE COMMUNITY HOSPITAL FOUNDATION, ALONG WITH SERVICE ORGANIZATION DONATIONS, SPONSOR READY, SET, GO!, AN ANNUAL BACK-TO-SCHOOL PROGRAM SOME OF THE ITEMS GIVEN AWAY INCLUDE A BOOK BAG, SCHOOL SUPPLIES, SHAMPOO, SOAP, SCHOOL PHYSICALS, HAIRCUT VOUCHERS, CLOTHING VOUCHERS, SHOE DISCOUNT COUPONS, HEALTH INFORMATION AND MORE FLU AND PNEUMONIA SHOT CLINICS ARE PROVIDED TO RESIDENTS OF GAGE COUNTY THE HOSPITAL GIVES AWAY BOTTLES OF WATER AT THE GAGE COUNTY FAIR AND DURING HOMESTEAD DAYS CELEBRATION ACTIVITIES DURING THE SUMMER AS A WAY TO REDUCE DEHYDRATION AND HEALTH-RELATED ISSUES EXPERIENCED BY COMMUNITY MEMBERS DURING THESE HOT SUMMER OUTDOOR ACTIVITIES CHILD CAR SEAT SAFETY INITIATIVES INCLUDE HAVING LABOR AND DELIVERY AND NURSERY NURSES CERTIFIED IN CHILD CAR SEAT SAFETY A FREE ANNUAL CHILD CAR SEAT SAFETY EVENT IS HELD FOR COMMUNITY RESIDENTS HOSPICE CONDUCTS A GRIEF EDUCATION AND SUPPORT PROGRAM FOR THOSE PEOPLE IN THE COMMUNITY WHO HAVE LOST A LOVED ONE TO DEATH THIS PROGRAM IS HELD ON A QUARTERLY BASIS AN EDUCATIONAL PROGRAM FOR FIRST-GRADERS IS OFFERED EVERY SPRING AREA SCHOOLS ARE INVITED TO BRING THEIR FIRST-GRADERS TO THE HOSPITAL TO BECOME FAMILIAR WITH THE HOSPITAL, LEARN ABOUT COMMON CHILDHOOD HEALTH CONCERNS SUCH AS A BROKEN ARM, AND MEET DOCTORS AND NURSES IN-KIND AND EMPLOYEE SUPPORT WAS GIVEN TO A VARIETY OF LOCAL HEALTHCARE-RELATED ORGANIZATIONS AND ACTIVITIES, SUCH AS UNITED WAY, BEATRICE PUBLIC SCHOOLS BACKPACK PROGRAM, ALZHEIMER'S MEMORY WALK, MOTHER TO MOTHER MINISTRY, PUBLIC HEALTH SOLUTIONS PUBLIC HEALTH DEPARTMENT, GREAT STRIDES FOR CYSTIC FIBROSIS, MOSAIC, BLUE VALLEY BEHAVIORAL HEALTH, WALK TO PREVENT SUICIDE, ETC THE GAGE COUNTY AMBULANCE SERVICES UTILIZES HOSPITAL STAFF TO TRAIN AND PROVIDE CLINICAL PRACTICUM FOR THE EMT-I AND PARAMEDIC PROGRAM EMPLOYEES SERVED CANCER SURVIVOR SUPPER AT THE ANNUAL RELAY FOR LIFE EVENT OTHER EMPLOYEES WORKED WITH THESE ORGANIZATIONS ON BEHALF OF BEATRICE COMMUNITY HOSPITAL AMERICAN CANCER SOCIETY, UNITED WAY, AMERICAN HEART ASSOCATION, BEATRICE MARY YMCA, ALZHEIMER'S ASSOCIATION, AMERICAN DIABETES ASSOCATION, MOTHER TO MOTHER MINISTRY AND OTHER PROFESSIONAL ORGANIZATIONS THE HOSPITAL SPONSORS AN INFORMATIONAL RADIO PROGRAM THAT COVERS GENERAL HEALTHCARE TOPICS OF INTEREST TO THE COMMUNITY, SUCH AS ORGAN DONATION, STRESS DURING THE HOLIDAYS, DIABETES, NUTRITION, ETC THE HOSPITAL WORKS WITH COLLEGES AND UNIVERSITIES TO SERVE AS A TRAINING SITE FOR NURSING AND OTHER HEALTH-CARE RELATED JOBS THE HOSPITAL HAS AN EXTENSIVE JOB SHADOWING PROGRAM FOR HIGH SCHOOL AND COLLEGE STUDENTS INTERESTED IN HEALTHCARE THE HOSPITAL IS A CERTIFIED AMERICAN HEART ASSOCIATION TRAINING SITE, AND PROVIDES CPR AND OTHER TRAINING TO LOCAL BUSINESSES AND EMERGENCY SERVICES STAFF ALSO PARTICIPATE IN TEACHING HANDS ONLY CPR TO FIFTH-GRADERS AT THE ANNUAL PROGRESSIVE AGRICULTURE SAFETY DAY THE CHIEF COMPLIANCE OFFICER SERVES ON THE BOARD OF DIRECTORS FOR THE 5-COUNTY DISTRICT PUBLIC HEALTH DEPARTMENT NAMED SOLUTIONS PUBLIC HEALTH THE HOSPITAL CONDUCTED A COMMUNITY HEALTH NEEDS ASSESSMENT AND ACTION PLAN ONE OF THE OUTCOMES IS TO WORK WITH PUBLIC HEALTH SOLUTIONS PUBLIC HEALTH DEPARTMENT ON A GAGE COUNTY PLANNING COMMITTEE TO ADDRESS OBESITY ISSUES IN THE COMMUNITY THE HOSPITAL INVITES THE RED CROSS BLOODMOBILE BUS TO VISIT THE HOSPITAL CAMPUS SEVERAL TIMES A YEAR AND ENCOURAGES EMPLOYEES TO DONATE BLOOD DURING WORK HOURS TO SUPPORT THE HEALTHCARE INDUSTRY'S ONGOING NEED FOR BLOOD SUPPLIES AROUND THE COUNTRY

Form and Line Reference	Explanation
PART VI, LINE 6	NOT APPLICABLE

Additional Data

Software ID:

Software Version:

EIN: 47-0379834

Name: BEATRICE COMMUNITY HOSPITAL & HEALTH CENTER INC

990 Schedule H, Supplemental Information

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

Form and Line Reference	Explanation
BEATRICE COMM HOSP & HEALTH CENTER, INC	
BEATRICE COMM HOSP & HEALTH CENTER, INC	PART V, SECTION B, LINE 12I FAMILY SIZE IS ALSO USED WHEN DETERMINING CHARGES TO PATIENTS
BEATRICE COMM HOSP & HEALTH CENTER, INC	PART V, SECTION B, LINE 18E THE HOSPITAL MADE NO SUCH EFFORTS

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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
BEATRICE COMMUNITY HOSPITAL & HEALTH CENTER INC

Employer identification number
47-0379834

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) BEATRICE RETIREMENT INC 4800 HOSPITAL PARKWAY BEATRICE,NE 68310	47-0649975	501(C)(3)	244,098				CAPTIAL PROJECTS
(2) HEALTH SYSTEMS OF BEATRICE INC 4800 HOSPITAL PARKWAY BEATRICE,NE 68310	47-0691891	501(C)(3)	7,119				OPERATION EXPENSES

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
PART I, LINE 2	BECAUSE THE RECIPIENTS OF THE GRANT MONEY WERE BEATRICE RETIREMENT, INC AND HEALTH SYSTEMS OF BEATRICE, INC , BOTH RELATED ORGANIZATIONS, BEATRICE COMMUNITY HOSPITAL AND HEALTH CENTER, INC IS ABLE TO MONITOR THE USE OF THE GRANT FUNDS

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BEATRICE COMMUNITY HOSPITAL & HEALTH CENTER INC

Employer identification number
47-0379834

Part I Questions Regarding Compensation

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

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

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

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

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

Part III Supplemental Information

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

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 47-0379834
Name: BEATRICE COMMUNITY HOSPITAL & HEALTH CENTER INC

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
BLAKE BUTLER MD MEMBER	(I) (II)	354,722 0	171,401 0	1,584 0	0 0	0 0	527,707 0	0 0
DARIN HOFFMAN MD MEMBER	(I) (II)	234,097 0	47,995 0	394 0	15,000 0	0 0	297,486 0	0 0
ERIC THOMSEN MD MEMBER	(I) (II)	158,390 0	0 0	156 0	0 0	0 0	158,546 0	0 0
THOMAS SOMMERS CEO	(I) (II)	341,355 0	0 0	2,313 0	15,000 0	21,951 0	380,619 0	0 0
ALAN STREETER CFO	(I) (II)	150,908 0	0 0	560 0	0 0	17,386 0	168,854 0	0 0
DEREK WEICHEL MD PHYSICIAN	(I) (II)	571,498 0	0 0	447 0	0 0	28,236 0	600,181 0	0 0
BRETT STUDLEY MD PHYSICIAN	(I) (II)	370,270 0	26,148 0	222 0	15,000 0	27,123 0	438,763 0	0 0
RONALD BEAR MD PHYSICIAN	(I) (II)	326,159 0	49,446 0	236 0	15,000 0	10,597 0	401,438 0	0 0
AMANDA MCKINNEY MD PHYSICIAN	(I) (II)	310,718 0	19,656 0	267 0	15,000 0	25,192 0	370,833 0	0 0
MICHAEL HAVEKOST MD PHYSICIAN	(I) (II)	285,018 0	48,207 0	637 0	15,000 0	0 0	348,862 0	0 0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BEATRICE COMMUNITY HOSPITAL & HEALTH CENTER INC

Employer identification number
47-0379834

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	HOSPITAL AUTHORITY NO 1 OF GAGE COUNTY NEBRASKA	47-0785499	362615AH9	06-08-2010	15,000,000	REFUND PRIOR ISSUE 12/23/09		X		X		X
B	HOSPITAL AUTHORITY NO 1 OF GAGE COUNTY NEBRASKA	47-0785499	362615AL0	06-24-2010	30,000,000	CONSTRUCTION OF FACILITY		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	3,110,000			
2	Amount of bonds legally defeased				
3	Total proceeds of issue	15,000,000	30,150,084		
4	Gross proceeds in reserve funds	1,519,709	2,239,190		
5	Capitalized interest from proceeds		2,181,107		
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds				
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds		27,968,976		
11	Other spent proceeds	15,000,000			
12	Other unspent proceeds				
13	Year of substantial completion	2012	2012		

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X			X				
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?	X		X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X		X				
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?	X		X					
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?	X		X					
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶								
6	Total of lines 4 and 5								
7	Does the bond issue meet the private security or payment test?		X		X				
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X					

Part IV Arbitrage

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

Part IV Arbitrage *(Continued)*

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

Part V Procedures To Undertake Corrective Action

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

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

Return Reference	Explanation
PART II, LINE 3	THE TOTAL PROCEEDS DO NOT AGREE TO THE ISSUE PRICE IN PART I, COLUMN (E) DUE TO INVESTMENT EARNINGS

Return Reference	Explanation
PART II, LINE 3	THE TOTAL PROCEEDS DO NOT EQUAL THE SUMMATION OF LINES 4 - 12 DUE TO TRANSFERRED OR REPLACEMENT PROCEEDS IN LINE 4

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BEATRICE COMMUNITY HOSPITAL & HEALTH CENTER INC

Employer identification number
47-0379834

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	No	(h) Approved by board or committee? Yes	No	(i) Written agreement? Yes	No
(1) BRETT STUDLEY MD	HIGHEST COMPENSATED EMPLOYEE	COMPENSATION AGREEMENT		X	89,250	5,206		No	Yes		Yes	
(2) RONALD BEAR MD	HIGHEST COMPENSATED EMPLOYEE	COMPENSATION AGREEMENT		X	40,000	20,000		No	Yes		Yes	
(3) DEREK WEICHEL MD	HIGHEST COMPENSATED EMPLOYEE	COMPENSATION AGREEMENT		X	75,000	50,000		No	Yes		Yes	
Total ▶ $						75,206						

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) COLLEEN DEINES	COLLEEN IS THE WIFE OF MITCHELL DEINES, BOARD MEMBER	29,969	COLLEEN DEINES IS EMPLOYED BY BEATRICE COMMUNITY HOSPITAL AND HEALTH CENTER, INC		No

Part V Supplemental Information

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

Return Reference	Explanation

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SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BEATRICE COMMUNITY HOSPITAL & HEALTH CENTER INC

Employer identification number
47-0379834

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	
FORM 990, PART VI, SECTION B, LINE 12C	EVERY BOARD MEMBER, ADMINISTRATIVE EMPLOYEE AND DEPARTMENT MANAGER IS REQUIRED TO FILL OUT A NEW CONFLICT OF INTEREST FORM DURING THE FIRST QUARTER OF THE YEAR THESE ARE KEPT ON F ILE WITH THE CHIEF COMPLIANCE OFFICER
FORM 990, PART VI, SECTION B, LINE 15	LISTED BELOW IS INFORMATION FROM OUR POLICY ON WAGE AND SALARY ADMINISTRATION THIS POLICY APPLIES TO ALL EMPLOYEES EXCEPT EXECUTIVE LEVEL STAFF AND THOSE WITH WRITTEN CONTRACTS (P HYSICIANS, ALLIED HEALTH STAFF, ETC) AN OUTSIDE CONSULTING FIRM MAKES COMPENSATION RECOM MENDATIONS TO THE BOARD OF DIRECTORS BASED UPON MARKET DATA FOR THE POSITION A STRUCTURE OF THE WAGE AND SALARY PLAN 1 PAY GRADES AND WAGE SCALES/RANGES ARE ESTABLISHED TO REWAR D EMPLOYEES FOR DIFFERENT LEVELS OF SKILLS, RESPONSIBILITY, AND KNOWLEDGE JOB POSITIONS A RE ASSIGNED A PAY GRADE BASED UPON MARKET CONDITIONS, SKILLS, RESPONSIBILITY, EDUCATION EX PERIENCE, PHYSICAL DEMANDS, AND WORKING CONDITIONS REQUIRED OF THE POSITION EACH PAY GRAD E HAS A RANGE OF PAY FROM MINIMUM TO MAXIMUM, ESTABLISHED TO REWARD EMPLOYEES FOR EXPERIEN CE AND PERFORMANCE B ADJUSTMENTS TO THE WAGE AND SALARY PLAN 1 THE WAGE PLAN IS REVIEW ED AT LEAST ANNUALLY TO ENSURE COMPETITIVE SALARIES FOR ALL POSITIONS LABOR MARKET SURVEY S ARE COMPLETED AND UTILIZED ON A REGULAR BASIS BASED UPON MARKET INFORMATION AND/OR A RE VIEW OF JOB DESCRIPTIONS, ADJUSTMENTS MAY BE MADE TO THE WAGE AND SALARY PLAN THAT INCLUDE ADJUSTMENTS TO THE OVERALL WAGE AND SALARY STRUCTURE, OR REPOSITIONING OF A SPECIFIC JOB POSITION(S) TO A DIFFERENT PAY GRADE FOR THE CEO POSITION THAT IS CURRENTLY HELD BY TOM S OMMERS, THE BOARD CHAIR WORKS WITH A CONSULTING COMPANY, IH STRATEGIES, TO DETERMINE THE A PPROPRIATE COMPENSATION THIS INFORMATION IS APPROVED BY THE EXECUTIVE COMMITTEE OF THE HO SPITAL BOARD OF DIRECTORS
FORM 990, PART VI, SECTION C, LINE 19	GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST
FORM 990, PART XI, LINE 9	CHANGE IN INTEREST IN BEATRICE COMMUNITY HOSPITAL FOUNDATION -104,147
FORM 990, PART XI, LINE 2C	THERE HAVE BEEN NO CHANGES FROM THE PRIOR YEAR THE FINANCE COMMITTEE OF THE BOARD OF DIRE CTORS SELECTS THE INDEPENDENT ACCOUNTANT AND HAS THE RESPONSIBILITY FOR OVERSIGHT OF THE A UDIT UPON COMPLETION OF THE AUDIT, THE AUDITING FIRM PRESENTS THE RESULTS AND FINDINGS TO THE FINANCE COMMITTEE

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BEATRICE COMMUNITY HOSPITAL & HEALTH CENTER INC

Employer identification number
47-0379834

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) HEALTH SYSTEM OF BEATRICE INC 4800 HOSPITAL PARKWAY PO BOX 278 BEATRICE, NE 683106906 47-0691891	MANAGEMENT COMPANY	NE	501(C)(3)	LINE 11C, III-FI	N/A		No
(2) HOMESTEAD VILLAGE INC 1119 MONROE BEATRICE, NE 68310 47-0591716	APARTMENTS FOR LOW INCOME ELDERLY INDIVIDUALS	NE	501(C)(3)	LINE 9	HEALTH SYSTEM OF BEATRICE INC		No
(3) PARKVIEW VILLAGE INC 1200 SOUTH 8TH BEATRICE, NE 68310 36-3381263	APARTMENTS FOR LOW INCOME ELDERLY INDIVIDUALS	NE	501(C)(3)	LINE 9	HEALTH SYSTEM OF BEATRICE INC		No
(4) BEATRICE COMMUNITY HOSP FOUNDATION INC 4800 HOSPITAL PARKWAY PO BOX 641 BEATRICE, NE 68310 47-3024984	FINANCIAL SUPPORT FOR BEATRICE COMMUNITY HOSPITAL & HEALTH CENTER, INC	NE	501(C)(3)	LINE 11C, III-FI	HEALTH SYSTEM OF BEATRICE INC		No
(5) BEATRICE RETIREMENT INC 4800 HOSPITAL PARKWAY PO BOX 278 BEATRICE, NE 683106906 47-0649975	RETIREMENT FACILITY	NE	501(C)(3)	LINE 9	HEALTH SYSTEM OF BEATRICE INC		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations? 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

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
(1) PHYSICIAN'S BUILDING INC 4800 HOSPITAL PARKWAY BEATRICE, NE 68310 47-0697398	OFFICE RENTAL	NE	N/A	C					No

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

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

Beatrice Community Hospital and Health Center, Inc.

Beatrice, Nebraska

Financial Statements
September 30, 2014 and 2013

Together with Independent Auditor's Report

Beatrice Community Hospital and Health Center, Inc.

Table of Contents

SEIM JOHNSON

Independent Auditor's Report

To the Board of Directors of
Beatrice Community Hospital
and Health Center, Inc
Beatrice, Nebraska

Report on the Financial Statements

We have audited the accompanying financial statements of Beatrice Community Hospital and Health Center, Inc (Hospital), which comprise the balance sheets as of September 30, 2014 and 2013, and the related statements of operations, changes in net assets and cash flows for the years then ended and the related notes to the financial statements

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits We conducted our audits in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Hospital as of September 30, 2014 and 2013, and the results of its operations, changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Seim Johnson, LLP

Omaha, Nebraska,
January 13, 2015

Beatrice Community Hospital and Health Center, Inc.

Balance Sheets
September 30, 2014 and 2013

	2014	2013
ASSETS		
Current assets		
Cash and cash equivalents	$ 15,615,931	8,150,906
Short-term investments	765,416	765,316
Assets limited as to use, current portion	1,324,637	1,247,749
Receivables -		
Patients, net of allowance for doubtful accounts of $8,775,640 in 2014 and $7,242,964 in 2013	10,494,910	8,270,780
Other	956,244	774,006
Inventories	2,293,066	2,166,707
Prepaid expenses	800,939	614,698
Estimated third-party payor settlements	513,209	2,709,120
Total current assets	32,764,352	24,699,282
Assets limited as to use, net of amount required to meet current obligations	8,106,325	8,119,687
Property and equipment, net	48,823,899	53,266,739
Interest in Beatrice Community Hospital Foundation	379,506	483,653
Other assets, net	1,141,144	1,183,708
Total assets	$ 91,215,226	87,753,069
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of long-term debt	$ 1,100,000	1,065,000
Accounts payable -		
Trade	1,596,148	1,331,211
Construction and equipment	102,033	--
Accrued salaries, vacation, and payroll taxes payable	5,092,390	4,501,757
Accrued interest payable	855,438	866,975
Other accrued expenses	455,168	474,031
Total current liabilities	9,201,177	8,238,974
Long-term debt, net of current portion	40,790,000	41,890,000
Total liabilities	49,991,177	50,128,974
Contingencies		
Net assets		
Unrestricted	40,844,543	37,140,442
Temporarily restricted	379,506	483,653
Total net assets	41,224,049	37,624,095
Total liabilities and net assets	$ 91,215,226	87,753,069

See notes to financial statements

Beatrice Community Hospital and Health Center, Inc.

Statements of Operations
For the Years Ended September 30, 2014 and 2013

	2014	2013
UNRESTRICTED REVENUE		
Net patient service revenue	$ 65,864,998	55,376,344
Provision for bad debts	(1,922,779)	(2,095,719)
Net patient service revenue less provision for bad debts	63,942,219	53,280,625
Other revenue	1,989,965	2,876,416
Total unrestricted revenue	65,932,184	56,157,041
EXPENSES		
Salaries and wages	27,661,961	22,946,803
Employee health and welfare	7,808,687	6,119,720
Professional fees and purchased services	2,797,760	3,148,840
Supplies and other	15,008,777	12,899,538
Depreciation and amortization	5,957,070	5,701,539
Insurance	307,761	335,953
Interest	2,589,424	2,627,288
Total expenses	62,131,440	53,779,681
OPERATING INCOME	3,800,744	2,377,360
NONOPERATING GAINS,		
Investment income	147,455	174,921
EXCESS REVENUE OVER EXPENSES	3,948,199	2,552,281
TRANSFERS TO AFFILIATES	(244,098)	(269,411)
INCREASE IN UNRESTRICTED NET ASSETS	$ 3,704,101	2,282,870

See notes to financial statements

Beatrice Community Hospital and Health Center, Inc.

Statements of Changes in Net Assets
For the Years Ended September 30, 2014 and 2013

		2014	2013
UNRESTRICTED NET ASSETS			
Operating income	$	3,800,744	2,377,360
Nonoperating gains		147,455	174,921
Transfers to affiliates		(244,098)	(269,411)
Increase in unrestricted net assets		3,704,101	2,282,870
TEMPORARILY RESTRICTED NET ASSETS,			
Change in interest in Beatrice Community Hospital Foundation		(104,147)	(55,352)
CHANGE IN NET ASSETS		3,599,954	2,227,518
NET ASSETS, beginning of year		37,624,095	35,396,577
NET ASSETS, end of year	$	41,224,049	37,624,095

See notes to financial statements

Beatrice Community Hospital and Health Center, Inc.

Statements of Cash Flows
For the Years Ended September 30, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from patients and third-party payors	$ 62,060,812	54,477,353
Cash received from others	3,785,494	1,431,787
Cash paid to employees and related benefits	(34,893,425)	(28,116,190)
Cash paid to suppliers	(18,227,037)	(16,930,562)
Interest paid	(2,600,961)	(2,637,293)
Investment income received	150,099	171,864
Net cash provided by operating activities	10,274,982	8,396,959
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment, net	(1,437,233)	(2,653,641)
Deposits to short-term investments	(100)	(287)
Purchase of assets limited as to use	(134,224)	(3,659,583)
Withdrawals from assets limited as to use	70,698	5,004,014
Net cash used in investing activities	(1,500,859)	(1,309,497)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt	(1,065,000)	(1,035,000)
Transfers to affiliates	(244,098)	(269,411)
Net cash used in financing activities	(1,309,098)	(1,304,411)
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,465,025	5,783,051
CASH AND CASH EQUIVALENTS, beginning of year	8,150,906	2,367,855
CASH AND CASH EQUIVALENTS, end of year	$ 15,615,931	8,150,906

See notes to financial statements

Beatrice Community Hospital and Health Center, Inc.

Statements of Cash Flows (Continued)
For the Years Ended September 30, 2014 and 2013

		2014	2013
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Change in net assets	$	3,599,954	2,227,518
Adjustments to reconcile the change in net assets to net cash provided by operating activities			
Depreciation and amortization		5,957,664	5,702,133
Change in interest in Beatrice Community Hospital Foundation		104,147	55,352
Loss on disposal of property and equipment		67,006	--
Transfers to affiliates		244,098	269,411
(Increase) decrease in current assets -			
Receivables -			
Patients		(2,224,130)	(346,091)
Other		(182,238)	(4,843)
Inventories		(126,359)	(665,298)
Prepaid expenses		(186,241)	17,776
Estimated third-party payor settlements		2,195,911	(6,777)
Increase (decrease) in current liabilities			
Accounts payable		264,937	205,287
Accrued salaries, vacation, and payroll taxes payable		590,633	863,936
Accrued interest payable		(11,537)	(10,005)
Other accrued expenses		(18,863)	88,560
Net cash provided by operating activities	$	10,274,982	8,396,959

See notes to financial statements

(1) Description of Organization and Summary of Significant Accounting Policies

The following is a description of the organization and summary of significant accounting policies of Beatrice Community Hospital and Health Center, Inc (Hospital) These policies are in accordance with accounting principles generally accepted in the United States of America

A Organization

The Hospital (a Nebraska corporation, not-for-profit) operates a 25-bed Critical Access Hospital The Hospital also offers physician clinic, home health and hospice services

Health System of Beatrice, Inc is the corporate sponsor of Beatrice Community Hospital and Health Center, Inc , Beatrice Community Hospital Foundation, Inc , Homestead Village, Inc , Parkview Village, Inc , and Beatrice Retirement, Inc (all non-profit Nebraska corporations), and owns all of Physicians Building, Inc (a for-profit corporation) The Foundation's primary purpose is to solicit contributions for the benefit of the Hospital Homestead Village and Parkview Village own and operate apartment projects for the elderly which are subsidized by the United States Department of Housing and Urban Development Beatrice Retirement, Inc owns and operates a 45 unit congregate living facility for the elderly Physicians Building, Inc is organized to own and maintain property for the furtherance of healthcare providers

The Budget Reconciliation Act of 1997 (Act) contained many provisions impacting Medicare reimbursement for the Hospital The Act established the Medicare Rural Hospital Flexibility Program to assist states and rural communities to improve access to essential healthcare services through critical access hospitals and rural health networks

During fiscal year 2006, the Hospital's Board of Directors approved the Hospital's plan to obtain Critical Access Hospital (CAH) designation CAH's are acute care facilities that provide emergency, outpatient and short-term inpatient services Medicare reimburses CAH's on a reasonable cost basis The Hospital's application to become certified as a CAH was approved by Nebraska Health and Human Services Hospital and the certification was effective December 1, 2005

B Industry Environment

The healthcare industry is subject to numerous laws and regulations of federal, state and local governments These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursements for patient services, and Medicare and Medicaid fraud and abuse Government activity has increased with respect to investigations and allegations by healthcare providers Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed

Management believes that the Hospital is in substantial compliance with applicable government laws and regulations as they apply to the areas of fraud and abuse While no regulatory inquiries have been made which are expected to have a material effect on the Hospital's financial statements, compliance with such laws and regulations are subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time

As a result of recently enacted federal healthcare reform legislation, substantial changes are anticipated in the United States healthcare Hospital Such legislation includes numerous provisions affecting the delivery of healthcare services, the financing of healthcare costs, reimbursement of healthcare providers and the legal obligations of health insurers, providers and employers These provisions are currently slated to take effect at specified times over approximately the next decade

C *Use of Estimates*

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

D *Cash and Cash Equivalents*

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less, excluding amounts whose use is limited by board designation or other arrangements under bond indenture agreements

E *Patient Receivables, Net*

The Hospital reports patient accounts receivable for services rendered at net realizable amounts from third-party payors, patients and others Accounts receivable are reduced by an allowance for doubtful accounts In evaluating the collectibility of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Hospital records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts

Payment for services is expected within thirty days of receipt of billing Accounts considered past due are pursed in-house for approximately 60 days from the date of first billing and then are sent to a collection agency Any amounts deemed uncollectible are written off on a monthly basis The Hospital does not charge interest on outstanding balances owed

The Hospital also maintains a charity care policy as described in Note 1(M)

F *Assets Limited as to Use*

Assets limited as to use include the following

By Board - Assets set aside by the Board of Directors for future capital improvements and future expansion, over which the Board retains control and may, at its discretion, subsequently use for other purposes These investments consist primarily of cash, certificates of deposit and money market mutual funds

By Bond Trustee - Assets set aside in accordance with terms of the various revenue bond agreements This includes the bond and debt service funds These investments consist of securities held in government sponsored debt securities and money market mutual funds

Debt Service Reserve Fund – To provide an amount equal to the maximum debt requirement for any future year on all bonds outstanding

Bond Fund – To provide for payment of principal and interest on the bonds

Amounts required to meet current liabilities of the Hospital have been reclassified in the balance sheets

G *Investments*

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheets Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in excess revenue over expenses unless the income or loss is restricted by donor or law

H *Inventories*

Inventories are stated at the lower of cost (first-in, first-out method) or market

I *Property and Equipment, Net*

Property and equipment acquisitions are recorded at cost All acquisitions of capital assets over $5,000 are capitalized Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method based upon useful lives set forth using general guidelines from the American Hospital Association Guide for Estimated Useful Lives of Depreciable Hospital Assets

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

J *Other Assets*

Other assets include the Hospital's interest in joint ventures, property held for future expansion and unamortized bond financing costs, relating to the Hospital Revenue Refunding and Revenue Bonds, Series 2010A and 2010B The bond financing costs are being amortized over the life of the related bonds using the effective interest method

K *Temporarily and Permanently Restricted Net Assets*

Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time period or purpose Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity At September 30, 2014 and 2013, the Hospital did not have any permanently restricted net assets

L *Net Patient Service Revenue*

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined

M *Charity Care*

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue in the statements of operations and changes in net assets Management's disclosure of charity care costs is described in Note 3

The Hospital is dedicated to providing comprehensive healthcare services to all segments of society, including the aged and otherwise economically disadvantaged In addition, the Hospital provides a variety of community health services at or below cost

N *Group Health Insurance Costs*

The Hospital is self-insured under its employee group health program, up to certain limits Included in the accompanying statements of operations is a provision for premiums for excess coverage and payments for claims including estimates of the ultimate costs for both reported claims and claims incurred but not yet reported at year end

O *Donor-Restricted Gifts*

Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets 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 unrestricted net assets and reported in the statements of operations and changes in net assets as net assets released from restrictions Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements

P *Interest in Beatrice Community Hospital Foundation*

Beatrice Community Hospital Foundation, Inc (Foundation) periodically transfers cash to the Hospital to reimburse the Hospital for providing healthcare benefits to the community and for purchases of healthcare related assets that the Foundation has previously committed fundraising proceeds to secure The Foundation's bylaws state that it is organized for the benefit of Health System of Beatrice, Inc (System) and further for the Hospital The Foundation and Hospital are affiliates controlled by the System

The Hospital recognizes cash and contribution revenue that increases unrestricted net assets because the specification of the gift has already been met by the Hospital The practice of the Foundation is to reimburse the Hospital for expenses incurred that were designated to be funded by Foundation contributions

The Hospital recognizes the change in its interest in the net assets of the Foundation When measuring the interest, the Hospital only includes the net assets of the Foundation that are temporarily restricted as the Foundation has sought specific contributions that are to be used for the benefit of the Hospital

Q *Income Taxes*

The Hospital is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code The Hospital has received a determination letter that it is exempt from federal income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code The Internal Revenue Service has established standards to be met to maintain tax exempt status In general, such standards require the Hospital to meet a community benefit standard and comply with various laws and regulations

The Hospital accounts for uncertainties in accounting for income tax assets and liabilities using guidance included in FASB ASC Topic 740, *Income Taxes* The Hospital recognizes the effect of income tax positions only if those positions are more likely than not of being sustained At September 30, 2014, the Hospital had no uncertain tax positions accrued With few exceptions, the Hospital is no longer subject to income tax examinations for the years ended prior to 2011

R *Excess Revenue Over Expenses*

The statements of operations include excess revenue over expenses Changes in unrestricted net assets which are excluded from excess revenue over expenses, consistent with industry practice, include permanent transfers of assets to and from affiliates for other than goods and services and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets)

S *Fair Value of Financial Instruments*

The carrying amounts of all financial instruments approximate estimated fair value Cash and cash equivalents, receivables and current liabilities are reasonable estimates of their fair values due to their short term nature Investments and assets limited as to use are stated at fair value as discussed in Note 4 The carrying value of long-term debt approximates fair value since the interest rates closely reflect current market rates

T *Risk Management*

The Hospital is exposed to various risks of loss from torts, theft of, damage to, and destruction of assets, business interruption, errors and omissions, employee injuries and illnesses, natural disasters, and medical malpractice Commercial insurance coverage is purchased for claims arising from such matters Settled claims have not exceeded this commercial coverage in any of the three preceding years

U *Reclassification*

Certain amounts in the 2013 financial statements have been reclassified to conform to the 2014 reporting format

V *Subsequent Events*

The Hospital considered events occurring through January 13, 2015 for recognition or disclosure in the financial statements as subsequent events That date is the date the financial statements were available to be issued

(2) Net Patient Service Revenue

The Hospital recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered See summary of payment arrangements below For uninsured patients that do not qualify for charity care, the Hospital recognizes revenue on the basis of its standard rates for services provided On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided Thus, the Hospital records a significant provision for bad debts related to uninsured patients in the period the services are provided Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the year from these major payor sources, is as follows

		September 30, 2014				
		Medicare	Medicaid	Commercial	Self Pay	Total
Gross patient charges	$	46,370,057	10,824,411	36,965,674	5,883,660	100,043,802
Less contractual allowances and discounts		19,823,446	5,168,313	6,847,172	2,339,873	34,178,804
Net patient service revenue	$	26,546,611	5,656,098	30,118,502	3,543,787	65,864,998

		September 30, 2013				
		Medicare	Medicaid	Commercial	Self Pay	Total
Gross patient charges	$	39,759,452	9,822,726	29,805,149	5,315,385	84,702,712
Less contractual allowances and discounts		18,107,818	5,382,817	3,878,565	1,957,168	29,326,368
Net patient service revenue	$	21,651,634	4,439,909	25,926,584	3,358,217	55,376,344

A summary of the payment arrangements with major third-party payors follows

Medicare. Inpatient acute care services rendered to Medicare program beneficiaries in a critical access hospital are paid based on Medicare defined costs of providing the services Inpatient nonacute services, outpatient services and certain rural health clinic services related to Medicare beneficiaries are also paid based on a cost reimbursement methodology The Hospital is reimbursed for cost reimbursable items at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audit thereof by the Medicare administrative contractor The Hospital's Medicare cost reports have been audited by the Medicare administrative contractor through September 30, 2010

Home health and hospice services are paid at prospectively determined rates per episode of care Physician clinic services provided to Medicare beneficiaries are paid on fee schedule amounts unless provided in a rural health clinic setting

The "Budget Control Act of 2011" requires, among other things, mandatory across-the-board reductions in Federal spending, also known as sequestration As required by law, President Obama issued a sequestration order on March 1, 2013 In general, Medicare claims with dates of service or dates of discharge on or after April 1, 2013 incur a two percent reduction in Medicare payment

Medicaid. Inpatient acute services and outpatient services rendered to Medicaid program beneficiaries in a critical access hospital are paid based on Medicaid defined costs of providing the services The Hospital is reimbursed for cost reimbursable items at tentative rates with final settlement determined after submission of annual cost reports by the Hospital

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

Revenue from the Medicare and Medicaid programs accounted for approximately 40% and 9% respectively, of the Hospital's net patient revenue for the fiscal year ended 2014, and 39% and 8% respectively, of the Hospital's net patient revenue for the fiscal year ended 2013 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 The 2014 net patient service revenue increased approximately $293,000, due to removal of allowances previously estimated that are no longer necessary as a result of final settlements and years that are no longer subject to audits, reviews and investigations

Net patient service revenue (before the provision for bad debts), as reflected in the accompanying statements of operations, consists of the following

		2014	2013
Gross patient service revenue			
Hospital -			
Inpatient	$	21,881,178	20,115,764
Outpatient		62,185,511	55,920,187
Total Hospital		84,066,689	76,035,951
Home health		1,410,979	1,420,200
Hospice		1,480,906	1,019,514
Physician clinics		13,085,228	6,227,047
		100,043,802	84,702,712
Less deductions from service revenue		34,178,804	29,326,368
Net patient service revenue	$	65,864,998	55,376,344

(3) Charity Care

The Hospital provides charity care to patients who are financially unable to pay for healthcare services they receive It is the policy of the Hospital not to pursue collection of amounts determined to qualify as charity care Accordingly, the Hospital does not report these amounts in net operating revenue or the allowance for doubtful accounts The Hospital determines the costs associated with providing charity care by aggregating the direct and indirect costs, including salaries, benefits, supplies, and other operating expenses, based on an overall cost to charge ratio The costs of caring for these patients for the years ended September 30, 2014 and 2013 were approximately $1,428,000 and $1,202,000, respectively

(4) Fair Value

Fair Value Hierarchy

The Hospital has adopted FASB ASC 820 for fair value measurements of financial assets and financial liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis FASB ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques 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 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements) The three levels of the fair value hierarchy are as follows

- Level 1 Inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date

- Level 2 Inputs are other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly through either corroboration or observable market data

- Level 3 Inputs are unobservable for the asset or liability Therefore, unobservable inputs shall reflect the entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk) developed based on the best information available in the circumstances

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety

The following methods and assumptions were used to estimate the fair value for each class of financial instrument measured at fair value

Cash and cash equivalents – The fair value of cash and cash equivalents, consisting primarily of deposit accounts and accrued interest, is classified as Level 1 as these funds are valued using quoted market prices

Certificates of deposit – Investments in certificates of deposit are classified as Level 2 based on multiple sources of information, which may include market data and/or quoted market prices from either markets that are not active or are for the same or similar assets of active markets

Fixed income securities – Investments in fixed income securities are comprised of government sponsored debt securities and municipal bonds Fixed income securities are classified as Level 2 based on multiple sources of information, which may include market data and/or quoted market prices from either markets that are not active or are for the same or similar assets in active markets

Mutual funds – The fair value of mutual funds is classified as Level 1 as the market value is based on quoted market prices, when available, or market prices provided by recognized broker dealers

For the fiscal years ended September 30, 2014 and 2013, the application of valuation techniques applied to similar assets and liabilities has been consistent

The following table presents the financial instruments that are measured at fair value on a recurring basis (including items that are required to be measured at fair value) at September 30, 2014 and 2013

	September 30, 2014			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 2,963,807	--	--	2,963,807
Certificates of deposit	--	2,098,020	--	2,098,020
Fixed income securities -				
Government sponsored debt securities	--	3,760,293	--	3,760,293
Mutual funds - money market	1,374,258	--	--	1,374,258
	$ 4,338,065	5,858,313	--	10,196,378

	September 30, 2013			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 2,249,025	--	--	2,249,025
Certificates of deposit	--	2,744,505	--	2,744,505
Fixed income securities -				
Government sponsored debt securities	--	3,379,912	--	3,379,912
Municipal bonds	--	375,000	--	375,000
Mutual funds - money market	1,384,310	--	--	1,384,310
	$ 3,633,335	6,499,417	--	10,132,752

The Hospital's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer There were no transfers into or out of Level 1 or Level 2 for the years ended September 30, 2014 and 2013

(5) Assets Limited as to Use

Investments, including assets limited as to use, are presented in the financial statements at fair value The composition of investments, including assets limited as to use, at September 30, 2014 and 2013, is as follows

		2014	2013
Short-term investments	$	765,416	765,316
Assets limited as to use for current obligations		1,324,637	1,247,749
		2,090,053	2,013,065
Assets limited as to use			
Board designated – available for debt service		4,439,759	4,371,451
Held by Trustee under bond indenture agreements			
Debt Service Reserve Fund		3,769,087	3,773,980
Bond Fund		1,222,116	1,222,005
		9,430,962	9,367,436
Less amount required for current obligations		(1,324,637)	(1,247,749)
Assets limited as to use, net of current portion		8,106,325	8,119,687
Total	$	10,196,378	10,132,752

Investment income reported in the statements of operations is comprised of the following for the years ending September 30, 2014 and 2013

		2014	2013
Interest and dividend income and realized gains and losses	$	50,833	63,492
Change in unrealized gains (losses) on other than trading securities, net		(5,058)	(1,372)
Income from VHA investment		101,680	112,801
Total investment income	$	147,455	174,921

(6) Property and Equipment

Property and equipment as of September 30, 2014 and 2013 is summarized as follows

		2014	2013
Land and land improvements	$	5,978,935	5,917,602
Buildings and building service equipment		50,044,969	50,044,969
Equipment and furnishings		30,560,631	29,464,913
Construction work in process		462,217	80,703
		87,046,752	85,508,187
Less - accumulated depreciation		38,222,853	32,241,448
	$	48,823,899	53,266,739

Depreciation expense of $5,915,100 and $5,659,569 in 2014 and 2013, respectively, is included in the accompanying statements of operations

(7) Other Assets, Net

Other assets as of September 30, 2014 and 2013 are summarized as follows

	2014	2013
Deferred bond issuance costs, net	$ 686,494	728,464
Property held for future expansion, net	271,577	272,171
Investments in VHA ventures	183,073	183,073
	$ 1,141,144	1,183,708

Deferred bond issuance costs are being amortized over the life of the related bonds using the effective interest method For the years ended September 30, 2014 and 2013, under the effective interest method $41,970 in amortization of the Series 2010A and 2010B bond issuance costs is included in the accompanying statements of operations

Depreciation expense on property held for future expansion of $594 in 2014 and 2013 is included in the accompanying statements of operations

(8) Long-Term Debt

A summary of long-term debt at September 30, 2014 and 2013 follows

	2014	2013
Series 2010A Revenue Refunding Bonds, interest ranging from 3 65% to 4 75%, due on June 1 and December 1, principal maturing in varying annual amounts or payments to sinking fund due in accordance with mandatory redemption requirements in varying annual amounts, final maturity due June 1, 2023, secured by a real estate mortgage on the Hospital's new facility	$ 11,890,000	12,955,000
Series 2010B Revenue Bonds, interest ranging from 6 00% to 6 75%, due on June 1 and December 1, principal maturing in varying annual amounts or payments to sinking fund due in accordance with mandatory redemption requirements in varying annual amounts, final maturity due June 1, 2035, secured by a real estate mortgage on the Hospital's new facility	30,000,000	30,000,000
	41,890,000	42,955,000
Less current portion	1,100,000	1,065,000
Long-term debt, net of current portion	$ 40,790,000	41,890,000

Maturities of long-term debt are as follows

2015	$ 1,100,000
2016	1,140,000
2017	1,185,000
2018	1,235,000
2019	1,295,000
Thereafter	35,935,000
	$ 41,890,000

In accordance with the Trust Indentures, the Hospital has established certain funds which are held by the Trustee Refer to Note 1(F) for further discussion regarding these funds The Trust Indentures also place limits on the incurrence of additional borrowings and require that the Hospital satisfy certain restrictive covenants as long as the bonds are outstanding

(9) Pension Plan

The Hospital has a defined contribution pension plan covering substantially all of its employees The plan is available to all Hospital employees at least 18 years of age who have completed one year of service and work 1,000 hours or more in a twelve-consecutive month period, and permits the Hospital to contribute dollars on behalf of the employee for withdrawal in future years The participants are fully vested immediately upon plan entry date The deferred compensation is not available to employees until termination, retirement, death, or disability The Hospital may choose a discretionary contribution each plan year The discretionary rate was established at 6% of each participant's salary for the years ended September 30, 2014 and 2013

Contributions are included in employee health and welfare expense in the accompanying statements of operations in the amount of $1,145,848 and $975,517 for the years ended September 30, 2014 and 2013, respectively

(10) Other Revenue

Other revenue for the years ended September 30, 2014 and 2013 is as follows

	2014	2013
Electronic health record incentive payments	$ 520,840	1,636,314
Pharmacy revenue	270,543	236,973
Cafeteria revenue	262,830	255,865
Contributions and operating grants	256,268	210,090
340B Drug Discount Program revenue	254,034	--
Management fees	160,254	216,567
Rental revenue	83,505	93,411
Purchase discounts	77,698	57,278
Therapy revenue	63,149	99,526
Loss on disposal of property and equipment	(67,006)	--
Miscellaneous	107,850	70,392
	$ 1,989,965	2,876,416

The Electronic Health Records Incentive Program, enacted as part of the *American Recovery and Reinvestment Act of 2009*, provides for one-time incentive payments under both the Medicare and Medicaid programs to eligible hospitals that demonstrate meaningful use of certified electronic health records technology (EHR) Critical access hospitals (CAHs) are eligible to receive incentive payments in the cost reporting period beginning in the federal fiscal year in which meaningful use criteria have been met The Medicare incentive payment is for qualifying costs of the purchase of certified EHR technology multiplied by the hospital's Medicare share fraction, which includes a 20% incentive This payment is an acceleration of amounts that would have been received in future periods based on reimbursable costs incurred including depreciation If meaningful use criteria are not met in future periods, the Hospital is subject to penalties that would reduce future payments for services Payments under the Medicaid program are generally made for up to four years based upon a statutory formula, as determined by the state, which is approved by the Centers for Medicare and Medicaid Services (CMS) The final amount for any payment year under both programs is determined based upon an audit by the Medicare Administrative Contractor Events could occur that would cause the final amounts to differ materially from the initial payments under the program

During 2014 and 2013 the Hospital qualified for Medicare incentive payments by attesting it met specific criteria set by CMS An incentive receivable of $438,761 and $2,395,446 has been recognized in the balance sheets as of September 30, 2014 and 2013, respectively The Hospital elected to record $206,440 and $1,179,564 of the incentive payment as other operating revenue in the period earned for the years ending September 30, 2014 and 2013, respectively, and defer the remaining amount of the payment related to future Medicare reimbursement

Payments of $263,400 and $456,750 were received from the Nebraska Department of Health and Human Services during the years ended September 30, 2014 and 2013, respectively, with the remaining payment to follow in a subsequent fiscal year In addition, EHR incentive proceeds of $51,000 were received in 2014 related to meaningful use attestation by eligible professionals employed by the Hospital The amount recognized is based on management's best estimate and is subject to change, which would be recognized in the period in which the change occurs

(11) Professional Liability Insurance

The Hospital carries a professional liability policy (including malpractice) which provides $1,000,000 of coverage for injuries per occurrence and $3,000,000 aggregate coverage with an umbrella policy which also provides an additional $5,000,000 of professional liability coverage per occurrence and aggregate coverage These policies provide coverage on a claims-made basis covering only the claims which have occurred and are reported to the insurance company while the coverage is in force The Hospital could have exposure on possible incidents that have occurred for which claims will be made in the future, should professional liability insurance not be obtained, or should coverage be limited and/or not available

Accounting principles generally accepted in the United States of America require a healthcare provider to recognize the ultimate costs of malpractice claims or similar contingent liabilities, which include costs associated with litigating or settling claims, when the incidents that give rise to the claims occur The Hospital does evaluate all incidents and claims along with prior claim experience to determine if a liability is to be recognized For the years ending September 30, 2014 and 2013, management determined no liability should be recognized for asserted or unasserted claims Management is not aware of any such claim that would have a material adverse impact on the accompanying financial statements

(12) Related Party Transactions

As discussed in Note 1, Health System of Beatrice, Inc is the corporate sponsor of the Hospital, Beatrice Community Hospital Foundation, Inc , Homestead Village, Inc , Parkview Village, Inc , and Beatrice Retirement, Inc , and owns all of Physicians Building, Inc The sum of all indebtedness to the Hospital from these affiliates totaled $376,640 and $435,593 at September 30, 2014 and 2013, respectively, and is included as part of other receivables in the accompanying balance sheets

The Hospital provided various management and maintenance services to the following related parties for the years ended September 30, 2014 and 2013 and is included in other revenue on the accompanying statements of operations

		2014	2013
Homestead Village, Inc	$	7,345	50,642
Parkview Village, Inc		8,079	33,025
Beatrice Retirement, Inc		49,287	45,204
Beatrice Community Hospital Foundation, Inc		98,291	87,696
	$	163,002	216,567

The Hospital received grants from Beatrice Community Hospital Foundation, Inc in the amount of $204,368 and $176,372 for the years ended September 30, 2014 and 2013, respectively, and is included as other revenue in the accompanying statements of operations

The Hospital rents multiple resident units from Beatrice Retirement, Inc Rental expense of approximately $55,000 and $71,000 was paid to Beatrice Retirement, Inc for the years ended September 30, 2014 and 2013, respectively, and is included in supplies and other in the accompanying statements of operations At September 30, 2014 and 2013, $4,429 and $2,700, respectively, remained to be paid and was included in accounts payable – trade, in the accompanying balance sheets

(13) Concentrations of Credit Risk

The Hospital is located in Beatrice, Nebraska The Hospital grants credits without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements The mix of receivables from patients and third-party payors at September 30, 2014 and 2013 was as follows

	2014	2013
Medicare	19%	21%
Medicaid	8	7
Blue Cross	8	6
Other third-party payors	12	12
Private pay	53	54
	100%	100%

The Hospital maintains deposits in excess of Federal Deposit Insurance Corporation insurance limits Management believes the risk relating to these deposits is minimal

(14) Contingencies

Litigation

The Hospital is involved in litigation and regulatory investigations arising in the course of business After consultation with legal counsel, management estimates these matters will be resolved without material adverse affect on the Hospital's future financial position or results from operations

(15) Functional Expenses

The Hospital provides general healthcare services to residents within its geographic location Expenses included in the statements of operations relate to the provision of these services