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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
Salina Regional Health Center Inc

Doing Business As

Number and street (or P O box if mail is not delivered to street address) 400 South Santa Fe

Room/suite

City or town, state or province, country, and ZIP or foreign postal code
Salina, KS 67401

D Employer identification number
48-1169103

E Telephone number
(785) 452-7145

G Gross receipts $ 213,872,910

F Name and address of principal officer
Joe Tallon
400 South Santa Fe
Salina, KS 67401

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 srhc com

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

L Year of formation 1995

M State of legal domicile KS

Part I Summary

1 Briefly describe the organization's mission or most significant activities
To provide high quality acute medical care

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	14
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	12
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	1,894
6	Total number of volunteers (estimate if necessary)	**6**	200
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-135,017

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	1,118,213	907,399
9	Program service revenue (Part VIII, line 2g)	168,331,001	202,457,634
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	5,590,796	7,051,433
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,734,694	2,958,313
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	177,774,704	213,374,779
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,019,472	1,494,546
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)	83,392,417	100,025,634
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)	77,304,765	90,651,627
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	161,716,654	192,171,807
19	Revenue less expenses Subtract line 18 from line 12	16,058,050	21,202,972

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	408,504,999	443,880,353
21	Total liabilities (Part X, line 26)	77,761,152	80,624,439
22	Net assets or fund balances Subtract line 21 from line 20	330,743,847	363,255,914

Revenue | Expenses | Net Assets or Fund Balances

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

****** 2015-08-12
Signature of officer Date

Joe Tallon VP Finance/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
Heather R Eichem		2015-08-12		P01515553

Firm's name ▶ Wendling Noe Nelson & Johnson LLC — Firm's EIN ▶ 48-1026809

Firm's address ▶ 534 S Kansas Ave Suite 1500, Topeka, KS 666033491 — Phone no (785) 233-4226

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

To provide quality health care services in a healing and spiritual environment

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 $ 157,411,963 including grants of $ 64,774) (Revenue $ 203,494,911)

Salina Regional Health Center, Inc , is an IRS Section 501(c)(3) hospital which provides quality medical care regardless of race, creed, sex, national origin, handicap, or ability to pay During the fiscal year, Salina Regional Health Center, Inc , discharged 8,828 inpatients resulting in 41,702 patient days, treated outpatients in 164,410 visits, and generated $199,075,905 in net patient service revenue The amount of uncompensated care amounted to $31,782,092 of which $8,640,945 were charity care deductions and $23,141,147 were bad debt write offs

4b (Code) (Expenses $ 360,600 including grants of $ 360,600) (Revenue $)

Salina Regional Health Center, Inc , provides scholarships to students attending nursing school and provides a donation to the KU endowment to offset the cost of establishing a medical school on the Salina Regional Health Center campus

4c (Code) (Expenses $ 1,069,172 including grants of $ 1,069,172) (Revenue $)

Salina Regional Health Center, Inc , provides grants to further the activities of the Community Health Improvement Program (CHIP)

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ 158,841,735

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	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	Yes	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	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**	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	**24a**	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**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	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**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
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**	Yes	
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**	Yes	
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	94		
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	1,894		
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	14		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	1b	12		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	3			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		Yes	
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	5			No
6	Did the organization have members or stockholders?	6		Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b			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	Yes	
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		No

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

▶Joe Tallon VP FinanceCFO 400 South Santa Fe
Salina,KS 67401 (785)452-7145

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) Larry Britegam Trustee	2 00	X						0	0	0
(2) Kent Buer Chairman	2 00	X		X				0	0	0
(3) Robert Freelove MD Secretary	2 00	X		X				0	0	0
(4) Robert Heath Trustee	2 00	X						0	0	0
(5) Sean Herrington MD Trustee	40 00	X						377,880	0	26,842
(6) Rex Romeiser MD Trustee	2 00	X						0	0	0
(7) Morrie Soderberg Treasurer	2 00	X		X				0	0	0
(8) Betsy Wearing Trustee	2 00	X						0	0	0
(9) Lee Young Trustee	2 00	X						0	0	0
(10) Micheal Terry President/CEO	40 00	X		X				535,189	0	72,044
(11) Ryan Payne MD Trustee/Chief of Staff	4 00	X						0	0	0
(12) Jim Maes Trustee	2 00	X						0	0	0
(13) Katie Platten Trustee	2 00	X						0	0	0
(14) Chuck Oleen Trustee	2 00	X						0	0	0
(15) Joe Tallon VP Finance/CFO	40 00			X				261,927	0	26,357
(16) Larry Barnes VP Information Technology	40 00				X			276,322	0	63,107
(17) Charles Grimwood VP Regional Development	40 00				X			242,684	0	27,250

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) Jack Hinnenkamp VP Facilities Management	40 00				X			208,200	0	21,342
(19) David Moody VP Human Resources	40 00				X			214,852	0	26,516
(20) Joel Phelps COO	40 00				X			312,391	0	45,489
(21) Luanne Smith VP Patient Care/CNO	40 00				X			187,965	0	25,891
(22) John Kelemen Physician	40 00					X		670,910	0	30,376
(23) Keir Swisher Physician	40 00					X		408,027	0	26,303
(24) Jeremiah Ostmeyer Physician	40 00					X		382,359	0	26,527
(25) Justin Whitlow Physician	40 00					X		550,739	0	28,552
(26) Merle Hodges Physician	40 00					X		442,760	0	28,124
1b Sub-Total . . . . . ▶										
c Total from continuation sheets to Part VII, Section A . . . . ▶										
d Total (add lines 1b and 1c) . . . . . ▶								5,072,205	0	474,720

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 ▶ 105

			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
CPT Enterprises Inc 2121 Crawford Pl Salina KS 67401	Management Services	1,358,168
Anesthesia Associates of Central KS PA PO Box 1607 Salina KS 674021607	Anesthesia Services	1,000,013
Laboratory Corporation 358 S Main St Burlington NC 66210	Laboratory testing services	496,075
Fresenius Medical Care PO Box 749959 Los Angeles CA 900749959	Medical Care	465,675
Great Plains Imaging LLC 320 N Terrace Dr Wichita KS 67208	Imaging Services	447,065

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 ▶ 27

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				
	e	Government grants (contributions)	1e	764,342			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	143,057			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		907,399			
Program Service Revenue			Business Code				
	2a	Patient service	621990	199,075,905	199,075,905		
	b	EHR incentive payments	621990	1,891,723	1,891,723		
	c	Other operating	621990	1,490,006	1,490,006		
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		202,457,634			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		5,805,171			5,805,171
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					
			(i) Real	(ii) Personal			
	6a	Gross rents	114,839				
	b	Less rental expenses	323,824				
	c	Rental income or (loss)	-208,985				
	d	Net rental income or (loss) . . . . . ▶			-208,985	-208,985	
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	1,406,837	5,500			
	b	Less cost or other basis and sales expenses	0	166,075			
	c	Gain or (loss)	1,406,837	-160,575			
	d	Net gain or (loss) . . . . . ▶			1,246,262	1,246,262	
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a		20,885			
	b	Less direct expenses . . . b		8,232			
	c	Net income or (loss) from fundraising events . . ▶			12,653		12,653
	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	Income from subsidiaries	900099	3,079,551			3,079,551
	b	Other revenues	900099	75,094			75,094
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . ▶		3,154,645			
	12	**Total revenue.** See Instructions . . . . . ▶		213,374,779	203,494,911	0	8,972,469

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	1,383,946	1,383,946		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	110,600	110,600		
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	3,146,304	434,381	2,711,923	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	79,917,852	72,894,434	7,023,418	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	3,083,850	2,818,442	265,408	
9 Other employee benefits	8,636,517	7,735,849	900,668	
10 Payroll taxes	5,241,111	4,638,317	602,794	
11 Fees for services (non-employees)				
a Management				
b Legal	418,518		418,518	
c Accounting				
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)				
12 Advertising and promotion	926,307	116,588	809,719	
13 Office expenses	1,437,773	768,413	669,360	
14 Information technology	4,511,702	1,845,285	2,666,417	
15 Royalties . .				
16 Occupancy	3,961,410	2,052,010	1,909,400	
17 Travel	443,206	161,511	281,695	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	151,005	51,886	99,119	
20 Interest	2,636,245	1,365,575	1,270,670	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	13,418,826	8,658,937	4,759,889	
23 Insurance	2,159,131	558,377	1,600,754	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a Medical supplies	20,725,661	20,725,661		
b Pharmaceuticals	14,972,037	14,972,037		
c Professional fees other	5,451,385	4,144,554	1,306,831	
d Professional fees physi	5,085,015	5,085,015		
e All other expenses	14,353,406	8,319,917	6,033,489	
25 **Total functional expenses.** Add lines 1 through 24e	192,171,807	158,841,735	33,330,072	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		7,578	1	7,878
	2	Savings and temporary cash investments		13,062,462	2	23,471,356
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		29,157,189	4	30,789,094
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		1,334,375	8	1,462,964
	9	Prepaid expenses and deferred charges		2,737,793	9	4,187,023
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 261,775,971			
	b	Less accumulated depreciation	10b 152,090,196	114,029,993	10c	109,685,775
	11	Investments—publicly traded securities		214,421,381	11	242,431,965
	12	Investments—other securities See Part IV, line 11		7,117,662	12	7,444,213
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets		9,681,674	14	9,751,388
	15	Other assets See Part IV, line 11		16,954,892	15	14,648,697
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		408,504,999	16	443,880,353
Liabilities	17	Accounts payable and accrued expenses		18,502,340	17	22,384,804
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		55,184,878	20	54,377,466
	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		883	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		4,073,051	25	3,862,169
	26	**Total liabilities.** Add lines 17 through 25		77,761,152	26	80,624,439
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		320,306,956	27	352,217,400
	28	Temporarily restricted net assets		3,487,136	28	3,596,681
	29	Permanently restricted net assets		6,949,755	29	7,441,833
		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		330,743,847	33	363,255,914
	34	Total liabilities and net assets/fund balances		408,504,999	34	443,880,353

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	213,374,779
2	Total expenses (must equal Part IX, column (A), line 25)	2	192,171,807
3	Revenue less expenses Subtract line 2 from line 1	3	21,202,972
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	330,743,847
5	Net unrealized gains (losses) on investments	5	10,522,774
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	786,321
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	363,255,914

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
Salina Regional Health Center Inc

Employer identification number
48-1169103

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
Salina Regional Health Center Inc	48-1169103

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		27,560
j	Total Add lines 1c through 1i			27,560
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	A portion of annual dues paid by Salina Regional Health Center, Inc , to various health care organizations has been identified as association lobbying activities by those organizations The amount reported as direct contact with legislators, their staff, government officials, or a legislative body represents the portion of dues identified as association lobbying activities by these organizations Salina Regional Health Center, Inc , does not participate in activities supporting a political candidate

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
Salina Regional Health Center Inc

Employer identification number
48-1169103

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	1,115,634	1,068,232	938,600	959,381	900,186
b	Contributions	167,724			100	80
c	Net investment earnings, gains, and losses	129,862	67,038	145,738	-20,881	75,389
d	Grants or scholarships					
e	Other expenditures for facilities and programs	19,191	19,636	16,106		16,274
f	Administrative expenses					
g	End of year balance	1,394,029	1,115,634	1,068,232	938,600	959,381

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶ 64 000 %
- c Temporarily restricted endowment ▶ 36 000 %

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

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

		Yes	No
(i) unrelated organizations	3a(i)	Yes	
(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		6,864,891		6,864,891
b Buildings		155,257,459	83,379,907	71,877,552
c Leasehold improvements				
d Equipment		95,158,079	66,074,136	29,083,943
e Other		4,495,542	2,636,153	1,859,389
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				109,685,775

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	
Estimated reimbursements payable	3,862,169
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	3,862,169

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	223,081,375
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	10,522,774		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	-803,525		
e	Add lines **2a** through **2d**			2e	9,719,249
3	Subtract line **2e** from line **1**			3	213,362,126
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	12,653		
c	Add lines **4a** and **4b**			4c	12,653
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	213,374,779

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	190,782,782
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	190,782,782
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	1,389,025		
c	Add lines **4a** and **4b**			4c	1,389,025
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	192,171,807

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 to benefit the Cardiology, Rehabilitation, and Oncology departments of Salina Regional Health Center
Part X, Line 2	Management is not aware of any uncertainties in income tax positions
Part XI, Line 2d - Other Adjustments	Community Health Improvement Program (CHIP) donation -1,069,172 KU Endowment donation -250,000 Ashby house donation -57,200 Change in beneficial interest in net assets of Foundation 240,385 Change in fair value of assets held in trust 332,462
Part XI, Line 4b - Other Adjustments	Net fundraising events revenue 12,653
Part XII, Line 4b - Other Adjustments	Ashby house donation 57,200 KU Endowment donation 250,000 Community Health Improvement Program (CHIP) donation 1,069,172 Net fundraising events revenue 12,653

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

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

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

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Salina Regional Health Center Inc

Employer identification number
48-1169103

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

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

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

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

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

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

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

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

		(a) Event #1 Rummage Sales (event type)	(b) Event #2 Holly Days (event type)	(c) Other events (total number)	(d) Total events (add col (a) through col (c))
Revenue	1 Gross receipts	15,738	5,147		20,885
	2 Less Contributions				
	3 Gross income (line 1 minus line 2)	15,738	5,147		20,885
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses	5,161	3,071		8,232
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(8,232)
	11 Net income summary Subtract line 10 from line 3, column (d) ▶				12,653

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

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

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

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

b If "No," explain _____

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

b If "Yes," explain _____

11

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

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

13 Indicate the percentage of gaming activity operated in

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

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

Name ▶ .....

Address ▶ .....

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

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

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

Name ▶ .....

Address ▶ .....

16 Gaming manager information

Name ▶ .....

Gaming manager compensation ▶ $ .....

Description of services provided ▶ .....

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

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

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

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

Return Reference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Salina Regional Health Center Inc

Employer identification number
48-1169103

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		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)		3,845	2,674,855		2,674,855	1 390 %
b Medicaid (from Worksheet 3, column a)		12,693	14,350,223	9,011,638	5,338,585	2 780 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs		16,538	17,025,078	9,011,638	8,013,440	4 170 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	24	1,570	186,481		186,481	0 100 %
f Health professions education (from Worksheet 5)	25		2,425,389	693,052	1,732,337	0 900 %
g Subsidized health services (from Worksheet 6)	19	11,133	67,711,710	46,920,617	20,791,093	10 820 %
h Research (from Worksheet 7)	2		2,232		2,232	0 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)	7		1,075,775		1,075,775	0 560 %
j **Total.** Other Benefits	77	12,703	71,401,587	47,613,669	23,787,918	12 380 %
k **Total.** Add lines 7d and 7j	77	29,241	88,426,665	56,625,307	31,801,358	16 550 %

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	1		7,371		7,371	0 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy	1		14,075	12,695	1,380	0 %
8	Workforce development	3		2,908		2,908	0 %
9	Other						
10	**Total**	5		24,354	12,695	11,659	

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	4,605,088		
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	678,191		
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	60,488,403
6	Enter Medicare allowable costs of care relating to payments on line 5	6	57,164,390
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	3,324,013
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☑ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

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

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

Part V Facility Information

Section A. Hospital Facilities

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

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group Salina Regional 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 srhc com/about/documents/			
b	☐ Other website (list url)			
c	☑ Available upon request from the hospital facility			
d	☑ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☑ Participation in the execution of a community-wide plan			
e	☑ Inclusion of a community benefit section in operational plans			
f	☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☑ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 300 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☑ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☑ Reporting to credit agency			
b ☑ Lawsuits			
c ☑ Liens on residences			
d ☐ Body attachments			
e ☑ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group Salina Surgical Center LLC

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 2

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	1		No
	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 ___			
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		
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		
5	Did the hospital facility make its CHNA report widely available to the public?	5		
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☐ Hospital facility's website (list url)			
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		
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		
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 100 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 100 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? **20**

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

Part VI Supplemental Information

Provide the following information

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

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

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

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

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

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

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

Form and Line Reference	Explanation
Part I, Line 7	Costing methodology used to determine ratio of patient care cost to charges is total operating expenses less bad debt, Medicaid provider taxes, total community benefit, and building expenses divided by total charges less community benefit charges

Form and Line Reference	Explanation
Part II, Community Building Activities	Advancing Communities Together (ACT) analyzed data and discussed with multiple agencies in July 2012 resulting in the following high-level list of community health improvement priorities (descending order of priority) teen sexual behavior, obesity (children, adult) and the outcomes of obesity (heart disease, stroke), domestic violence, serious injuries requiring hospital care, chronic lower respiratory disease, adult flu vaccination, and cancer These priorities have since been further researched A report is being made available to the general public in early 2013 and through community forums, on-line surveys and paper surveys, input from the broader community is being obtained Salina Regional Health Center is collaborating with Salina-Saline County Health Department and Central Kansas Foundation to conduct a community health assessment and develop a community health improvement plan Across the early months of 2012, data was gathered, analyzed, and discussed by this collaborative group Poster board presentations of the group's findings were prepared for presentation to a July 9, 2012 forum of representatives from a broader group of agencies that are involved in community development and health improvement Participants included representatives of Salina Area United Way, Salina Family Healthcare, ComCare PA, Occupational Center of Central Kansas, Greater Salina Community Foundation, Salina Public Schools, Veridian Behavioral Health, Central Kansas Mental Health Center, Saline County Commission on Aging, Kansas State University Extension, City of Salina Parks and Recreation, Heartland Programs, North Central Kansas Regional Trauma Council, Salina Regional Health Center, The Volunteer Connection, Salina-Saline County Health Department, Central Kansas Foundation, and faith-based programs The outcome of the meeting was buy-in to a process of getting broad community input into health improvement priorities, commitment to partner in the process, understanding of community health status data, and initial identification of priority issues to be addressed

Form and Line Reference	Explanation
Part III, Line 4	See note A5 (page 9) of the audited financial statements regarding the allowance for uncollectible accounts Part III, Line 3 A review of bad debt accounts was conducted to find accounts that were eligible for charity care Eligibility was determined by whether the patient had received financial assistance for a portion of their responsibility toward the account Any remaining charges written off after the financial assistance was granted was included as bad debt expense attributable to patients eligible for financial assistance

Form and Line Reference	Explanation
Part III, Line 8	Amounts were obtained from the cost report filed with Medicare for the period ending September 30, 2014, less subsidized health services revenue and expenses included in Schedule H, Part I, Item 7 (g) The total amount of the shortfall is considered a community benefit

Form and Line Reference	Explanation
Part III, Line 9b	If a patient qualifies for financial assistance, the account is adjusted according to our policy Any remaining balance after adjustment is collected under the billing and collection policies Our billing and collection policies are the same for all patients Patients who have qualified for financial assistance are considered approved for a period of six months from the date of approval After six months, patients need to reapply for financial assistance

Form and Line Reference	Explanation
Part III, Line 2	Ratio of patient care cost to charges (see calculation for Part I, Line 7) multiplied by provision for bad debts

Form and Line Reference	Explanation
Part VI, Line 2	In addition to the community health needs assessment, SRHC analyzes hospital discharge data for all counties in the region The Kansas Hospital Association inpatient discharge database includes data for all reporting hospitals From this we determine usage trends that help us plan needed services For example, a significant number of residents of north central Kansas have had to travel far out of the region to access neurosurgical services because SRHC only had one neurosurgeon This assessment and other information led to SRHC's employment of two additional neurosurgeons One began practice in 2012 and the other in 2013

Form and Line Reference	Explanation
Part VI, Line 3	At registration, the patient is informed of their rights for financial assistance if unable to produce valid insurance coverage The patient is referred to a third-party vendor to determine eligibility for governmental programs and if it is determined they do not qualify, they are screened under our financial assistance guidelines We post our guidelines on our website as well

Form and Line Reference	Explanation
Part VI, Line 4	Salina Regional Health Center, Inc , is a rural sole community hospital serving a primary service area of Saline County, three immediately adjacent counties are its secondary service area, and has a 14-county referral area although certain specialties draw statewide For purposes of community health needs assessment, the principal community of SRHC is Saline County because the other three counties each have a local Critical Access Hospital within the county The primary service area (Saline County) has a population of 55,740 When compared to the national population, this area is represented by an older population with a lower educational level and lower median income The area population grew 0 2% between 2010 and 2013 The primary service area population is expected to increase by 1 3% by 2018, which is lower than the rate of growth expected for Kansas (2 2%) and the U S (3 3%) for the same time period The service area is less ethnically diverse compared to the U S overall The majority of residents are Caucasian (81 4%) followed by Hispanic (10 3%), and Black (3 5%) Spanish patient education materials are available at SRHC and the hospital has developed a team of Spanish translators Recognizing the relatively lower educational level in the community, the hospital writes patient information at a 6th to 8th grade reading level Median household income in the primary service area in 2013 was $47,339, compared to a Kansas median of $51,273, and national median of $53,046 A lack of available resources to the indigent is a challenge in this environment, so in addition to providing charity care, the hospital has and continues to support the Salina Family Healthcare Center, which provides care to the indigent Our patient population is composed of 50% Medicare, 11% Medicaid, 31% Commercial, 3% Tricare Workers Compensation, and 5% uninsured

Form and Line Reference	Explanation
Part VI, Line 5	The governing board of Salina Regional Health Center, Inc , is comprised of volunteers intentionally selected to promote the betterment of the region we serve Demonstrating its commitment to community benefit, this board has for nearly 20 years donated an average of 10% of the hospital's end-of-year operating margin to the Community Health Invest Program (CHIP) of the Salina Regional Health Foundation Salina Regional Health Center, Inc , administrators and governing board members assist the Foundation by participating in the CHIP Committee Salina Regional Health Center, Inc , is a member of the Sunflower Health Network (SHN), an organization of Salina Regional Health Center, Inc , and 14 Critical Access Hospitals (CAHs) distributed across 14 counties A Salina Regional administrator led SHN strategic planning that resulted in regional health priorities, including improving access to specialist physician care, optimizing timeliness and safety of patient transfers, and sustaining the number of quality nurses in the region As a result of this process, Salina Regional Health Center, Inc , invested in hiring physician recruiters for both the Salina community and the larger region In 2012 Salina Regional Health Center, Inc , was verified by the American College of Surgeons as a Level III trauma center, the only designated Level III trauma center in the north central Kansas region Salina Regional also provides access to computerized patient simulators and other nursing education modalities to strengthen the quality of nurses in regional communities Salina Regional Health Center began a partnership with The University of Kansas School Of Medicine in 2010 to open a medical school campus in Salina The intent is to develop students who will live and practice medicine in smaller-town Kansas to help alleviate the rural physician shortage The eight students in the inaugural class completed their first year of medical school in 2012 Salina Regional Health Center is investing $1 million over a four-year period to help defray faculty and operating costs The hospital also invested several hundred thousand dollars to renovate a building on the hospital campus The building is provided to KU rent-free for as long as the medical school campus exists

Additional Data

Software ID:
Software Version:
EIN: 48-1169103
Name: Salina Regional Health Center Inc

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
Salina Regional Health Center, Inc	Part V, Section B, Line 3 Salina Regional Health Center collaborated with Salina-Saline County Health Department and Central Kansas Foundation to conduct a community health assessment and develop a community health improvement plan Data was gathered, analyzed, and discussed by this collaborative group Results were presented at a forum of representatives from a broader group of agencies involved in community development and health improvement Broad community input was obtained through public forums and surveys To assess public perception of the health issues identified by community partner organizations as most concerning, a survey and background information was developed and distributed in March 2013 Saline County residents were invited to review the information and participate in the survey via social media, the local newspaper, email, and notices posted throughout the community A summary of the issues was presented at two public meetings that included opportunity for discussion with CHA Core Group representatives A written summary of issues and the survey were placed at community locations that were easily accessible Electronic versions of materials and the link to an internet survey were distributed via social media, the local newspaper, and email Three hundred four individual surveys were completed during the 30 days it was available The CHNA was retroactively endorsed by Salina Surgical Center

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
Salina Regional Health Center, Inc	Part V, Section B, Line 5d The initial data report was provided on websites and in paper form at the Salina Regional Health Center information desk, public library, county health department, and other locations The final report is posted on the Salina Regional Health Center website In the spring of 2014, a professional publication was distributed (newspap er, direct mail, personal distribution to agencies, and other public locations) Results w ere also presented by a SRHC representative at civic clubs and other settings Annual updat e of implementation strategy The 2013 Community Health Needs Assessment recognized the fol lowing items childhold obesity, teenage pregancy, adult obesity, domestic violence, falls among elderly, medication misuse, and sexually transmitted infections for prioritization SRHC chose two items (falls among elderly and medication misuse) to concentrate on as they fit within the framework of our mission and had less attention from other Saline County a gencies Falls among elderly and medication misuse In 2014 the North Central-Flint Hills A rea Agency on Aging received a $100,000 grant from Salina Regional to start a fall prevent ion program in the Salina area the program was rolled out in July 2014 The program is cal led "Be Well! Stay Well! Right at Home" and is aimed at helping prevent falls It includes going into a person's home and identifying often small changes that can make the home saf er The first steps included placing articles about fall prevention in "Keynotes," the age ncy's newspaper, and providing information about fall prevention at venues such as the ann ual Sunflower Fair in Salina There's also an eight-session class called "A Matter of Bala nce," that follows a curriculum written at Boston University and addresses fear of falling , recognizing that falls are preventable and increasing physical activity The program als o includes an assessment to identify situations that can cause falls and finding ways to f ix them During an in-home assessment they look at issues such as the person's vision, wha t medications they're taking and items around the home that represent fall dangers The ag ency has contact with several other agencies that can help with specific issues that can h elp a person stay out of the hospital again Medication misuse As part of a project to limi t readmissions to hospital and disease complications due to medication misuse the SRHC pha rmacy department implemented a new process for follow up on heart failure patients to assu re proper medication compliance In October 2012, a 90 day pilot project began, in which h eart failure patients were educated by pharmacists prior to discharge and with a follow-up phone call 48-72 hours after discharge The pilot project indicated HCAP scores increased for medication-related measures and no CMS failures for discharge instructions occurred o n patients with pharmacist intervention Beginning in May 2013, quality auditors identify patients with possible primary diagnosis of heart failure and notify pharmacists For thes e patients, pharmacists add discharge instructions for heart failure to the patient's char t, pharmacist visit patients prior to discharge and schedule a follow-up phone call appoin tment with patient During visit, the pharmacists give patient a Zone Chart and answer med ication questions Nurses also complete a discharge assessment and document if the patient has heart failure and has received discharge instructions to identify patients for follow -up phone call The follow-up phone call is completed by the pharmacist 48-72 post dischar ge for patients returning to home setting to reinforce education and medication adherence Pharmacy interventions October 2013-December 2014 1 Patient scales - October 2013-July 2014 5 patients reported on phone call they still had not purchased scales - August 2014 pharmacy obtained a grant to purchase scales for patients, six given out August to Decemb er 2014 - 6 Additional scales purchased and dispensed in 2015 2 Discharge instructions - 403 patients targeted with intervention - Improved measure from 84 5% in fiscal year 2012 to 91% from October - December 2013 3 Patient visit prior to discharge - From October t o December 2014, 7 out of 28 patients had pharmacist visit prior to discharge 4 Follow-up phone call interventions - 253 patients targeted for follow-up phone call - Corrections to discharge medication instructions - Reinforce obtaining new prescriptions - Discuss new prescriptions and effects/side effects - Reinforce making follow-up appointment with phys ician - Contact physician's office with concerns - Coordinate with SFHC ambulatory care ph armacist for clinic follow-up - Discuss fluid and salt restrictionsThe 30-day all cause re admission rate for patients who received a phone call from a pharmacists was 14% The read mission rate for patients who did not receive a phone call was 41% Interventions by pharm acists ranged from reinforcement of discharge inst

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
Salina Regional Health Center, Inc	ructions to taking action like calling physician office or retail pharamcy to correct medi cation discrepancies Salina Regional Health Center's Pharmacy Residency Program welcomed i ts second class of residents in July The program was initiated in 2012 to increase post-g raduate training opportunities in the State to attract and retain pharmacists who might on e day enter practice here Today, many pharmacy graduates pursue post-graduate training to gain specialized skills Many jobs even require additional training "O ne year of residen cy is often considered equivalent to three-to-five years of practice experience," said Ste ven Blanner, Salina Regional's pharmacy residency director While interest in post-graduat e training has increased in recent years, the number of training opportunities available h asn't been able to keep pace This year 31 5 percent of applicants for pharmacy residency positions nationwide were unable to match with a program because not enough positions were available Salina is one of nine Kansas hospitals to offer a post-graduate pharmacy train ing program Salina Regional Health Center's Pharmacy Residency Program recently received a full, three-year accreditation from the American Society of HealthSystem Pharmacists

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
Salina Regional Health Center, Inc	Part V, Section B, Line 7 Childhood obesity, teen pregnancy, adult obesity, domestic violence, and sexually-transmitted infections were needs identified in the CHNA which are not being addressed by Salina Regional Health Center as they are outside the scope of our operations

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
Salina Regional Health Center, Inc	Part V, Section B, Line 16e File against estates

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
Salina Regional Health Center, Inc	Part V, Section B, Line 20d Deduction of 30%

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
Salina Surgical Center, LLC	Part V, Section B, Line 20d Usual and customary net charges for services rendered

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
Salina Surgical Center, LLC	Part V, Section B, Line 1 A community health needs assessment for Salina Surgical Center, LLC, a hospital facility of the hospital organization Salina Regional Health Center, was not conducted by the end of Salina Regional Health Center's taxable year In late November 2013 our consultant began researching the requirements of 501(r) in relationship to our ownership percentage of Salina Surgical Center In January 2014, we received a letter from our consultant indicating that Salina Surgical Center met the definition of a hospital facility under the proposed regulations After reviewing the research and consulting legal counsel, we concluded in May 2014 that Salina Surgical Center, LLC is a hospital facility of Salina Regional Health Center, therefore, all requirements of 501(r) are applicable to Salina Surgical Center We are currently in the process of making sure all requirements under 501(r) are met including the adoption of the CHNA and implementation strategy for Salina Surgical Center We anticipate starting the joint CHNA by the end of the fiscal year ended 9/30/2014 and meeting the requirements for conducting the CHNA and adopting an implementation strategy by fiscal year ended 9/30/2015 To minimize future failures, we will communicate with Salina Surgical Center regarding the 501(r) requirements on an ongoing basis and work together with them to meet the requirements On August 6, 2014, the board of directors of Salina Surgical Center reviewed and endorsed the findings of the Saline County 2013 Community Needs Assessment Survey

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

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

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

Name and address	Type of Facility (describe)
Salina Regional Outpatient Imaging 520 S Santa Fe Lower Level Salina, KS 67401	Outpatient imaging clinic
Salina Regional Oncology 511 S Santa Fe Salina, KS 67401	Outpatient imaging clinic
Comcare - Santa Fe Clinic 520 S Santa Fe Suite 300 Salina, KS 67401	Outpatient imaging clinic
Comcare - Elm Clinic 617 E Elm Street Salina, KS 67401	Outpatient imaging clinic
Salina Regional Neurosurgery 501 S Santa Fe Suite 300 Salina, KS 67401	Outpatient imaging clinic
Salina Pediatric Care 501 S Santa Fe Suite 100 Salina, KS 67401	Outpatient imaging clinic
Comcare - Statcare Clinic 1001 S Ohio St Salina, KS 67401	Outpatient imaging clinic
Salina Regional Surgical Associates 501 S Santa Fe Suite 200 Salina, KS 67401	Outpatient imaging clinic
Salina Women's Clinic 501 S Santa Fe Suite 140 Salina, KS 67401	Outpatient imaging clinic
Salina Regional Cardo Thoracic 501 S Santa Fe Suite 200 Salina, KS 67401	Outpatient imaging clinic
Salina Regional Outpatient PT 520 S Santa Fe Salina, KS 67401	Outpatient imaging clinic
Comcare - Minneapolis Clinic 311 N Mill St Minneapolis, KS 67456	Outpatient imaging clinic
Comcare - Occupational Health Partners 1101 E Republic St Salina, KS 67401	Outpatient imaging clinic
Hospice of Salina 730 Holly Lane Salina, KS 67401	Outpatient imaging clinic
Salina Regional Pulmonary 520 S Santa Fe Lower Level Salina, KS 67401	Outpatient imaging clinic

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

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

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

Name and address	Type of Facility (describe)
Salina Regional Veridian 730 Holly Lane Salina, KS 67401	Outpatient imaging clinic
Salina Regional Neurosciences 501 S Santa Fe Suite 210 Salina, KS 67401	Outpatient imaging clinic
Salina Regional Infant Child Development 155 N Oakdale Salina, KS 67401	Outpatient imaging clinic
Salina Regional Podiatry 501 S Santa Fe Suite 200 Salina, KS 67401	Outpatient imaging clinic
Salina Regional New Options 1375 W Ash St Junction City, KS 66441	Outpatient imaging clinic

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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
Salina Regional Health Center Inc

Employer identification number
48-1169103

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) Salina Regional Health Foundation Inc 400 South Santa Fe Salina, KS 67401	48-0949407	501(c)(3)	1,069,172				To further the activities of the Community Health Improvement Program (CHIP)
(2) KU Endowment 3901 Rainbow Blvd Kansas City, KS 661607804	48-0547734	501(c)(3)	250,000				Support KU School of Medicine - Salina campus
(3) Ashby House LTD PO Box 3482 Salina, KS 67402	48-1099925	501(c)(3)		57,200	Book	Real estate	To provide shelter for homeless families and single women
(4) Lindbsborg Community Hospital Association 605 West Lincoln Lindsborg, KS 674562328	48-0545183	501(c)(3)		7,574	FMV	Equipment	To provide medical equipment

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

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

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) Scholarships to students attending nursing school	19	110,600			

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	All donee information is kept as part of the organization's books and records All nursing scholarships recipients are selected based on set criteria

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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
Salina Regional Health Center Inc

Employer identification number
48-1169103

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax indemnification 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**	Yes	
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
Part I, Line 6	The compensation committee of the board determines bonus and incentive payments based on a balanced scorecard which includes financial, patient satisfaction, and quality data In addition, a compensation review is performed by an independent outside consultant

Additional Data

Software ID:
Software Version:
EIN: 48-1169103
Name: Salina Regional 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				
Sean Herrington MD Trustee	(I) (II)	291,789 0	86,091 0	0 0	12,500 0	14,342 0	404,722 0	0 0
Micheal Terry President/CEO	(I) (II)	390,939 0	144,250 0	0 0	55,315 0	16,729 0	607,233 0	0 0
Joe Tallon VP Finance/CFO	(I) (II)	219,650 0	42,277 0	0 0	12,500 0	13,857 0	288,284 0	0 0
Larry Barnes VP Information Technology	(I) (II)	232,881 0	43,441 0	0 0	53,948 0	9,159 0	339,429 0	0 0
Charles Grimwood VP Regional Development	(I) (II)	203,593 0	39,091 0	0 0	13,125 0	14,125 0	269,934 0	0 0
Jack Hinnenkamp VP Facilities Management	(I) (II)	175,584 0	32,616 0	0 0	13,125 0	8,217 0	229,542 0	0 0
David Moody VP Human Resources	(I) (II)	180,126 0	34,726 0	0 0	13,125 0	13,391 0	241,368 0	0 0
Joel Phelps COO	(I) (II)	254,721 0	57,670 0	0 0	31,243 0	14,246 0	357,880 0	0 0
Luanne Smith VP Patient Care/CNO	(I) (II)	157,666 0	30,299 0	0 0	13,125 0	12,766 0	213,856 0	0 0
John Kelemen Physician	(I) (II)	552,218 0	28,692 0	90,000 0	12,500 0	17,876 0	701,286 0	0 0
Keir Swisher Physician	(I) (II)	328,782 0	79,245 0	0 0	12,500 0	13,803 0	434,330 0	0 0
Jeremiah Ostmeyer Physician	(I) (II)	346,526 0	35,833 0	0 0	12,500 0	14,027 0	408,886 0	0 0
Justin Whitlow Physician	(I) (II)	543,239 0	7,500 0	0 0	12,500 0	16,052 0	579,291 0	0 0
Merle Hodges Physician	(I) (II)	390,730 0	52,030 0	0 0	12,500 0	15,624 0	470,884 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
Salina Regional Health Center Inc

Employer identification number
48-1169103

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	City of Salina Kansas	48-6017228	794770DP9	04-07-2006	65,053,116	Extinguish Series 1999 Revenue Bonds and to construct a new patient tower		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	10,778,116			
2	Amount of bonds legally defeased				
3	Total proceeds of issue	65,053,116			
4	Gross proceeds in reserve funds	4,540,402			
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	570,534			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	37,121,199			
11	Other spent proceeds	23,036,195			
12	Other unspent proceeds				
13	Year of substantial completion	2010			

		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						
15	Were the bonds issued as part of an advance refunding issue?	X							
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	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						
2	Are there any lease arrangements that may result in private business use of bond-financed property?		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						
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						
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶								
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						
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						
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						

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X						
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X						
b	Exception to rebate?		X						
c	No rebate due?		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						
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		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						
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						
7	Has the organization established written procedures to monitor the requirements of section 148?		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						

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

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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
Salina Regional Health Center Inc

Employer identification number
48-1169103

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Stacie Maes	Family member of Jim Maes, Trustee	70,385	Employment		No
(2) Salina Surgical Center	4 Board of directors are employees and/or trustees of SRHC	222,174	Provide employees and supplies		No
(3) Patricia Grimwood	Spouse of Charles Grimwood, Key Employee of SRHC	17,479	Employment		No
(4) Linda Hinnenkamp	Spouse of John Hinnenkamp, Key Employee of SRHC	69,630	Employment		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
Salina Regional Health Center Inc

Employer identification number
48-1169103

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section A, line 4	
Form 990, Part VI, Section A, line 6	Salina Regional Health Center has two corporate members Salina Regional Health Foundation, Inc , and Via Christi Health, Inc
Form 990, Part VI, Section A, line 7a	The corporate members have the power to approve appointment of members to and removal of members from the Board of Trustees
Form 990, Part VI, Section B, line 11	The Form 990 is provided to the Board of Trustees for review prior to filing Due to curre nt year timing, the approval by the audit committee will not occur until after the filing date
Form 990, Part VI, Section B, line 12c	A conflict of interest questionnaire is required to be completed upon election and annuall y The questionnaire is reviewed by legal counsel
Form 990, Part VI, Section B, line 15	An independent compensation firm is obtained to complete an annual review and analysis of all the administrative staff members The compiled report is forwarded to the Compensation Committee of the Board that reviews the analysis and approves the report
Form 990, Part VI, Section C, line 19	The Organization makes its governing documents, conflict of interest policy, and audited f inancial statements available to the public upon written request
Form 990, Part XI, line 9	Intercompany transfers 213,474 Change in fair value of assets held in trust 332,462 Chan ge in beneficial interest in net assets of Foundation 240,385
Form 990, Part XII, Line 2C	The audit committee assumes the responsibility for the oversight of the audited financial statements, review of the Form 990 and Form 990-T, and selection of the independent accoun ting firm

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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
Salina Regional Health Center Inc

Employer identification number
48-1169103

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) Salina Regional Health Foundation Inc 400 South Santa Fe Salina, KS 67401 48-0949407	Advancement of healthcare, health & medical education, research, & welfare	KS	501(c)(3)	170(b)(1)(A)(vi)			No
(2) Salina Regional Health Properties Inc 400 South Santa Fe Salina, KS 67401 48-1154675	Own and operate medical office buildings for section 501(c)(3) organizations	KS	501(c)(2)		Salina Regional Health Center Inc	Yes	
(3) Hospice of Salina Inc 730 Holly Lane Salina, KS 67402 48-1131570	Provide hospice care and support services to the terminally ill and their	KS	501(c)(3)	509(a)	Salina Regional Health Center Inc	Yes	
(4) Via Christi Health Inc 8200 E Thorn Drive Suite 300 Wichita, KS 67226 48-1172107	Hospital support	KS	501(c)(3)	509(a)			No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? 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
(1) Salina Surgery Properties LLC 401 South Santa Fe Salina, KS 67401 48-1200039	Construct & own surgical facility	KS		Related	234,688	1,664,113		No			No	50 000 %
(2) Salina Surgical Center LLC 401 South Santa Fe Salina, KS 67401 48-1199515	Medical services, ambulatory surgery	KS		Related	3,646,576	5,763,869		No			No	50 000 %
(3) Salina Regional Home Medical Services LLC 520 South Santa Fe Suite 140 Salina, KS 67401 48-1221623	Home medical services	KS	Salina Regional Health Center Inc	Related	222,653	618,425		No			No	51 000 %

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) Salina Regional Health Enterprises Inc 400 South Santa Fe Salina, KS 67402 48-1056225	Provide mgmt services to hospitals in N Central KS area	KS	Salina Regional Health Center Inc	C			100 000 %	Yes	

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		No
e Loans or loan guarantees by related organization(s)	1e		No
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i	Yes	
j Lease of facilities, equipment, or other assets to related organization(s)	1j		No
k Lease of facilities, equipment, or other assets from related organization(s)	1k	Yes	
l Performance of services or membership or fundraising solicitations for related organization(s)	1l		No
m Performance of services or membership or fundraising solicitations by related organization(s)	1m		No
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		No
o Sharing of paid employees with related organization(s)	1o	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
See Additional Data Table			

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

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

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

Part VII Supplemental Information

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

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 48-1169103
Name: Salina Regional Health Center Inc

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
Salina Regional Health Properties Inc	I	173,716	Cash received
Salina Regional Health Properties Inc	K	1,061,087	Cash paid
Salina Regional Health Properties Inc	O	86,158	Actual cost
Salina Regional Health Properties Inc	Q	89,671	Actual cost
Hospice of Salina Inc	O	257,809	Actual cost
Hospice of Salina Inc	Q	273,023	Actual cost
Hospice of Salina Inc	B	675,000	Actual cost
Salina Surgical Center LLC	Q	332,458	Markup of cost

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Form **4562**
Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545-0172

2013

Attachment Sequence No **179**

Name(s) shown on return	Business or activity to which this form relates	**Identifying number**
Salina Regional Health Center Inc	Form 990 Page 10	48-1169103

Part I **Election To Expense Certain Property Under Section 179**

Note: *If you have any listed property, complete Part V before you complete Part I.*

1	Maximum amount (see instructions)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4	Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost

7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2012 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2014 Add lines 9 and 10, less line 12 ▶	13	

Note: *Do not use Part II or Part III below for listed property. Instead, use Part V.*

Part II **Special Depreciation Allowance and Other Depreciation (Do not include listed property.)** (See instructions)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	13,418,826

Part III **MACRS Depreciation (Do not include listed property.)** (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2013	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B—Assets Placed in Service During 2013 Tax Year Using the General Depreciation System

	(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a	3-year property						
b	5-year property						
c	7-year property						
d	10-year property						
e	15-year property						
f	20-year property						
g	25-year property			25 yrs		S/L	
h	Residential rental property			27 5 yrs	MM	S/L	
				27 5 yrs	MM	S/L	
i	Nonresidential real property			39 yrs	MM	S/L	
					MM	S/L	

Section C—Assets Placed in Service During 2013 Tax Year Using the Alternative Depreciation System

20a	Class life				S/L	
b	12-year			12 yrs	S/L	
c	40-year			40 yrs	MM	S/L

Part IV **Summary** (see instructions.)

21	Listed property Enter amount from line 28	21	
22	**Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	22	13,418,826
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V **Listed Property** (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete* ***only*** *24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A—Depreciation and Other Information (Caution: *See the instructions for limits for passenger automobiles.***)**

24a Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☐ **No** | **24b** If "Yes," is the evidence written? ☐ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation/ deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						**25**		
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1						**28**		
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1							**29**	

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (**do not** include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal(noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions)

	Yes	**No**
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2013 tax year (see instructions)					
43 Amortization of costs that began before your 2013 tax year				**43**	
44 Total. Add amounts in column (f) See the instructions for where to report				**44**	

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT
OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
SALINA REGIONAL HEALTH CENTER, INC.
AND SUBSIDIARIES
SEPTEMBER 30, 2014 AND 2013

CONTENTS

Wendling Noe Nelson Johnson LLC

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
Salina Regional Health Center, Inc.

We have audited the accompanying consolidated financial statements of Salina Regional Health Center, Inc. and Subsidiaries, which comprise the consolidated balance sheets as of September 30, 2014 and 2013, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in 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 consolidated 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 consolidated 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to previously present fairly, in all material respects, the financial position of Salina Regional Health Center, Inc. and Subsidiaries as of September 30, 2014 and 2013, and the results of their operations, changes in their net assets, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information presented on pages 29 to 36 is for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Wendling Noe Nelson & Johnson LLC

Topeka, Kansas
December 22, 2014

CONSOLIDATED FINANCIAL STATEMENTS

SALINA REGIONAL HEALTH CENTER, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

September 30,

ASSETS

	2014	2013
Current assets		
Cash and cash equivalents	$ 15,323,205	$ 10,966,020
Investments	133,346,010	112,575,818
Patient accounts receivable, less allowance for uncollectible accounts of $7,425,442 in 2014 and $8,543,429 in 2013	33,214,287	30,882,773
Inventories	1,876,769	1,597,041
Estimated reimbursements receivable	2,243,694	2,892,403
Prepaid expenses and other current assets	4,712,642	3,589,737
Current portion of assets limited as to use	4,284,119	3,402,849
Total current assets	195,000,726	165,906,641
Property, plant, and equipment, net	120,804,393	125,995.964
Assets limited as to use, less current portion	124,236,032	111,113,361
Beneficial interest in net assets of Foundation	4.158,906	3,943,886
Deferred financing costs	360,922	387,030
Long-term investments and other assets	13,830,620	13,843,961
Assets held in trust	6,368,116	6,035,653
Total assets	$464,759,715	$427,226,496

The accompanying notes are an integral part of these statements.

LIABILITIES AND NET ASSETS

	2014	2013
Current liabilities		
Current portion of long-term debt	$ 1,550,224	$ 873,480
Accounts payable	6,626,719	4,556,630
Accrued payroll and related liabilities	13,458,467	11,843,951
Professional liability	1,100,344	878,074
Accrued interest payable	1,308,775	1,324,775
Estimated reimbursements payable	4,508,504	4,090,968
Other current liabilities	147,569	168,729
Total current liabilities	28,700,602	23,736,607
Long-term debt, less current portion	53,303,810	54,911,446
Other long-term liabilities	454,413	333,393
Total long-term liabilities	53,758,223	55,244,839
Total liabilities	82,458,825	78,981,446
Net assets		
Salina Regional Health Center		
Unrestricted	367,442,935	335,546,368
Temporarily restricted	3,663,443	3,561,200
Permanently restricted	7,441,833	6,949,755
Total net assets Salina Regional Health Center	378,548,211	346,057,323
Noncontrolling interest in consolidated subsidiaries	3,752,679	2,187,727
Total net assets	382,300,890	348,245,050
Total liabilities and net assets	$ 464,759,715	$ 427,226,496

SALINA REGIONAL HEALTH CENTER, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

Years ended September 30,

	2014	2013
Patient service revenue	$ 233,121,068	$ 195,370,828
Provision for uncollectible accounts	(23,493,601)	(22,568,949)
Net patient service revenue	209,627,467	172,801,879
Other operating revenue	5,261,145	5,757,810
Net assets released from restrictions for operations	7,502	61,707
Total operating revenue	214,896,114	178,621,396
Operating expenses		
Salaries and wages	88,179,575	73,549,868
Employee fringe benefits	18,357,221	15,947,797
Professional fees	9,045,444	8,224,138
Supplies	42,019,206	34,223,276
Utilities	2,845,534	2,332,253
Interest	2,656,313	2,815,077
Depreciation and amortization	14,802,423	13,059,929
Other expenses	24,973,532	23,346,673
Total operating expenses	202,879,248	173,499,031
Income from operations	12,016,866	5,122,365
Nonoperating gains		
Investment income	6,978,885	5,186,924
Other, net	3,846,567	5,837,127
Nonoperating gains, net	10,825,452	11,024,051
Operating income and net nonoperating gains	22,842,318	16,146,416
Net assets released from restrictions for capital	215,359	223,971
Net change in unrealized gains and losses on investments	10,550,842	18,540,544
Change in unrestricted net assets including income attributable to noncontrolling interests	33,608,519	34,910,931
Less income attributable to noncontrolling interests	(1,711,952)	(55,708)
Change in unrestricted net assets	$ 31,896,567	$ 34,855,223

The accompanying notes are an integral part of these statements.

SALINA REGIONAL HEALTH CENTER, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years ended September 30,

	2014	2013
Salina Regional Health Center		
Unrestricted net assets		
Income from operations	$ 12,016,866	$ 5,122,365
Nonoperating gains, net	10,825,452	11,024,051
Net assets released from restrictions for capital	215,359	223,971
Net change in unrealized gains and losses on investments	10,550,842	18,540,544
Less income attributable to noncontrolling interests	(1,711,952)	(55,708)
Change in unrestricted net assets	31,896,567	34,855,223
Temporarily restricted net assets		
Investment income	244,335	221,651
Net assets released from restrictions for operations	(7,502)	(61,707)
Net assets released from restrictions for capital	(215,359)	(223,971)
Change in beneficial interest in net assets of Foundation, net of transfers	80,769	801,453
Change in temporarily restricted net assets	102,243	737,426
Permanently restricted net assets		
Change in beneficial interest in net assets of Foundation	159,616	
Change in fair value of assets held in trust	332,462	478,251
Change in permanently restricted net assets	492,078	478,251
Change in net assets	32,490,888	36,070,900
Net assets, beginning of year	346,057,323	309,986,423
Net assets, end of year	$ 378,548,211	$ 346,057,323
Noncontrolling interests in consolidated subsidiaries		
Income attributable to noncontrolling interests	$ 1,711,952	$ 55,708
Capital distribution	(147,000)	(98,000)
Beginning net assets of noncontrolling interest in subsidiary added to consolidated group		1,749,732
Change in net assets	1,564,952	1,707,440
Net assets, beginning of year	2,187,727	480,287
Net assets, end of year	$ 3,752,679	$ 2,187,727

The accompanying notes are an integral part of these statements.

SALINA REGIONAL HEALTH CENTER, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended September 30,

	2014	2013
Cash flows from operating activities		
Change in net assets, Salina Regional Health Center	$ 32,490,888	$ 36,070,900
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	14,922,968	13,147,245
Amortization of deferred financing costs and premium or discount	18,696	18,934
Change in noncontrolling interests in consolidated subsidiaries	1,711,952	55,708
Net realized and unrealized gains and losses on investments	(12,290,141)	(19,408,844)
Provision for uncollectible accounts	23,571,172	22,612,246
Restricted contributions and restricted investment income	(244,335)	(221,651)
Loss on disposal of equipment	167,409	(261,285)
Change in beneficial interest in net assets of Foundation, net of transfers	(240,384)	(801,453)
Other changes to operating cash flows	(147,212)	(8,807)
Changes in operating assets and liabilities, net of noncash items		
Patient accounts receivable	(25 902,686)	(24,927,347)
Inventories	(279,728)	(156,740)
Prepaid expenses and other current assets	(1,122,905)	1,684,358
Accounts payable and other current liabilities	2,254,532	(519,226)
Accrued payroll and related liabilities	1,614,516	1,117,422
Accrued interest payable	(16,000)	(129,250)
Estimated reimbursement settlements	1,066,245	(1,652,228)
Other long-term liabilities	121,020	110,217
Net cash provided by operating activities	37,696,007	26,730,199
Cash flows from investing activities		
Proceeds from sale of equipment	5,500	514,237
Additions to property, plant, and equipment	(9,887,639)	(28,153,357)
Change in investments	(14,013,846)	(5,632,507)
Change in assets limited as to use	(8,655,397)	5,891,520
Change in long-term investments and other assets	13,341	(7,592,757)
Net cash used by investing activities	(32,538,041)	(34,972,864)

The accompanying notes are an integral part of these statements.

SALINA REGIONAL HEALTH CENTER, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED

Years ended September 30,

	2014	2013
Cash flows from financing activities		
Payments of long-term debt	$ (923,480)	$ (6,076,152)
Proceeds from restricted contributions and restricted investment income	244,335	221,651
Transfer of funds from Foundation for capital assets	25,364	24,608
Capital distribution to holder of noncontrolling interest in consolidated subsidiary	(147,000)	(98,000)
Noncontrolling interest in subsidiary added to consolidated group		127,615
Net cash used by financing activities	(800,781)	(5,800,278)
Net change in cash and cash equivalents	4,357,185	(14,042,943)
Cash and cash equivalents at beginning of year	10,966,020	25,008,963
Cash and cash equivalents at end of year	$ 15,323,205	$ 10,966,020
Cash paid during the year for interest	$ 2,653,621	$ 2,925,706

The accompanying notes are an integral part of these statements.

SALINA REGIONAL HEALTH CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization

Salina Regional Health Center, Inc. (the Health Center) was formed on October 1, 1995, by the combination of St. John's Regional Health Center, Inc., and Asbury-Salina Regional Medical Center, Inc. The Health Center is a Kansas not-for-profit membership corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on its related income pursuant to Section 501(a) of the Internal Revenue Code.

The primary purpose of the organization is to provide hospital and health-related services to the people of Saline County, Kansas, and surrounding communities. Operations are conducted under the oversight of a Board of Trustees consisting of individuals appointed from the local community. Members of the Board of Trustees are not compensated for their service.

The Health Center has two corporate members: Salina Regional Health Foundation, Inc. and Via Christi Health System, Inc. The corporate members have the power to approve appointment of members to and removal of members from the Board of Trustees. In the event of sale or dissolution of the Health Center, the remaining assets would be distributed approximately 70 percent to Salina Regional Health Foundation, Inc. and 30 percent to Via Christi Health System, Inc. Otherwise, the two corporate members do not actively participate in the day-to-day operations of the Health Center.

Hospice of Salina, Inc. (Hospice) is a Kansas not-for-profit stock corporation, exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The primary purpose of Hospice is to provide health care services to terminally ill individuals in Saline County, Kansas, and surrounding areas. Hospice is wholly-owned by the Health Center.

Salina Regional Health Properties, Inc. (Properties) is a Kansas not-for profit membership corporation, organized to hold title to real property. Properties owns buildings in close proximity to the Health Center which house departments of the Health Center. Some space in them is also rented to members of the Health Center's medical staff. The Health Center is the sole member of Properties.

Salina Regional Health Enterprises, Inc., a wholly-owned subsidiary of the Health Center, is a Kansas for-profit corporation, organized to provide management services to other hospitals in the north central Kansas area.

Salina Regional Home Medical Services, LLC (SRHMS) provides home medical services and equipment to the residents of Saline County, Kansas, and surrounding areas. The Health Center owns 51 percent of SRHMS.

Lindsborg Community Hospital Association (LCH) is a Kansas not-for-profit stock corporation, exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The primary purpose of LCH is to provide hospital and health-related services to the people of Lindsborg, Kansas, and the surrounding area. The Health Center acquired control of LCH on October 1, 2012, under the terms of a management agreement with an initial term of five years. The agreement automatically renews for consecutive five-year terms unless either the Health Center or LCH give written notice of their election of nonrenewal at least one year prior to the expiration of any such term.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Health Center also owns a 50 percent interest in two for-profit companies: Salina Surgical Center, LLC and Salina Surgery Properties, LLC. See Note I to the financial statements for additional details.

2. Basis of reporting

The consolidated financial statements of Salina Regional Health Center, Inc. and Subsidiaries include the accounts of the Health Center and the above majority-owned or controlled entities, all of which were organized under the laws of the State of Kansas and are under common control and management. The above 50 percent owned for-profit companies, which are not under the Health Center's management and control, are accounted for under the equity method. Significant intercompany accounts and transactions have been eliminated.

3. 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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

4. Cash and cash equivalents

For purposes of the accompanying statements of cash flows, the Health Center considers all demand deposits and short-term investments purchased with original maturities of three months or less to be cash equivalents, except for amounts classified as current and long-term investments and assets whose use is limited by Board designation or other arrangements.

5. Allowance for uncollectible accounts

Accounts receivable are reduced by an allowance for uncollectible accounts. In evaluating the collectability of accounts receivable, the Health Center analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for uncollectible accounts and provision for uncollectible accounts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for uncollectible accounts. For receivables associated with services provided to patients who have third-party coverage, the Health Center analyzes contractually due amounts and provides an allowance for uncollectible accounts and a provision for uncollectible accounts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Health Center records a significant provision for uncollectible

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

accounts 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 uncollectible accounts.

6. Inventories

Inventories consist primarily of supplies and are stated at the lower of cost or market, which is determined on a first-in, first-out basis.

7. Assets limited as to use

Assets limited as to use include assets set aside by the Board of Trustees for future capital improvements, debt retirement, professional liability claims, workers' compensation benefits, and unemployment benefits (over which the Board retains control and may, at its discretion, subsequently use for other purposes); assets held for trust arrangements; and assets whose use is restricted by donors.

8. Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in net nonoperating gains unless the income or loss is restricted by donor or law. Unrealized gains and losses on unrestricted investments and realized and unrealized gains and losses on restricted assets are excluded from operating income and net nonoperating gains.

9. Beneficial interest in net assets of Foundation

Salina Regional Health Center, Inc. and Salina Regional Health Foundation, Inc. are considered financially interrelated organizations. As such, the Health Center recognizes as an asset its interest in the net assets of the Foundation which are to benefit the Health Center. At the end of each reporting period, the Health Center adjusts its interest for its share of the change in net assets held by the Foundation occurring during that period. Transactions between the two organizations have been eliminated during the preparation of these financial statements.

10. Property, plant, and equipment

Property, plant, and equipment (including assets recorded as capital leases) are recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives of each class of depreciable assets which are substantially in conformity with useful lives established by the American Hospital Association. Gains and losses from sales or retirements are recognized in the period of disposition. Gifts of long-lived assets such as land, building, or equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

11. Temporarily and permanently restricted net assets

Temporarily restricted net assets are those whose use by the Health Center 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 Health Center in perpetuity.

12. Deferred financing costs

Deferred financing costs incurred in connection with the issuance of long-term debt are amortized over the term of the related debt utilizing the principal outstanding method.

13. Self-insurance

The Health Center sponsors a self-insured employee health plan and reinsures a portion of its risk under that plan. The reinsurance arrangement generally covers claims totaling over $165,000 for each covered individual on an annual basis. Covered employees provide part of the funds to pay claims through monthly contributions at predetermined rates. The Health Center retains an agent to process and settle claims.

The Health Center also self-insures a portion of its workers' compensation and professional liability (see Note M) claims risk and accrues a liability in its financial statement for the estimated cost of settling all reported and unreported claims as of the balance sheet date. The Health Center contracts with third-party administrators to provide claims management services. In addition, the Health Center has commercial stop-loss coverage through third-party insurance companies which provide coverage for workers' compensation and professional liability claims.

14. 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 and the provision for uncollectible accounts. 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.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

15. Donor-restricted gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise 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 statement of operations as net assets released from restrictions. Resources restricted by donors for plant replacement and expansion and for debt service (capital) are added to unrestricted net assets to the extent expended within the period.

Resources restricted by donors or grantors for specific operating purposes are reported in other revenue to the extent used within the period.

16. Operating income

The Health Center's operating income includes transactions deemed by management to be ongoing, major, or central to the provision of services provided by the organization. Revenues and expenses to provide these services are reported as income from operations for the reporting period. Nonoperating gains and losses, as well as transfers to and from affiliates, contributions of long-lived assets, and extraordinary items are excluded from income from operations.

17. Income taxes

Management is not aware of any uncertainties in income tax positions. For the Health Center and each of its majority-owned or controlled entities, the years ended September 30, 2014, 2013, 2012, and 2011, remain subject to examination by both federal and state taxing authorities.

18. Subsequent events

The Health Center has evaluated subsequent events through December 22, 2014, which is the date the financial statements were available to be issued.

NOTE B - CHARITY CARE

The Health Center is dedicated to providing both services and leadership in caring for the needy and accepts all patients regardless of their ability to pay. The Health Center provides such care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Since the Health Center does not attempt to collect amounts initially determined to qualify as charity care, such charges are not included in net patient service revenue. The costs incurred in providing these services of approximately $7,600,000 and $8,100,000 during the years ended September 30, 2014 and 2013, respectively, are included in the Health Center's operating expenses and are estimated by using the Health Center's overall cost-to-charge ratio, including other operating revenue. In addition, the Health Center provides care for medically indigent patients covered under the Medicaid welfare program at rates substantially below standard charges.

NOTE C - NET PATIENT SERVICE REVENUE

The Health Center has agreements with third-party payors that provide for reimbursement to the Health Center at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the Health Center's charges at established rates for services and amounts reimbursed by third-party payors. A summary of the basis of reimbursement with major third-party payors follows:

Medicare - Inpatient and outpatient services rendered to Medicare program beneficiaries are generally paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. The Health Center also receives additional reimbursement for treating low income patients, medical education costs, and Medicare beneficiary bad debts.

The Health Center is paid at tentative rates with final settlement determined after submission of annual cost reports by the Health Center and audits or reviews thereof by the Medicare administrative contractor. The Health Center's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization. The Health Center's Medicare cost reports have been audited or reviewed by the Medicare administrative contractor through September 30, 2012.

LCH is a critical access hospital for purposes of the Medicare program. Hospital services rendered to Medicare program beneficiaries by LCH are paid under cost reimbursement methodologies. Physician services rendered to Medicare beneficiaries are paid based on a prospectively determined fee schedule. LCH is paid for cost reimbursable items at tentative rates with final settlements determined after submission of annual cost reports by LCH and audits or reviews thereof by the Medicare administrative contractor. LCH's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization. LCH's Medicare cost reports have been audited or reviewed by the Medicare administrative contractor through September 30, 2012.

Medicaid - Inpatient services rendered to Kansas Medicaid recipients are reimbursed at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Outpatient services are reimbursed based upon a prospectively determined rate schedule. The prospectively determined rates are not subject to retroactive adjustment.

Prior to January 2013, hospital services rendered by LCH to Medicaid program beneficiaries not enrolled in a Medicaid managed care plan were paid under cost reimbursement methodologies. Hospital services rendered by LCH to all other Medicaid program beneficiaries were paid at prospectively determined rates. After December 31, 2012, hospital services rendered to all Medicaid program beneficiaries are paid at prospectively determined rates These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. LCH is paid for cost reimbursable items at tentative rates with

NOTE C - NET PATIENT SERVICE REVENUE - Continued

final settlements determined after submission of annual cost reports by LCH and reviews thereof by the state Medicaid agency. LCH's Medicaid cost reports have been reviewed by the state Medicaid agency through September 30, 2011.

The Health Center has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations Payments under these agreements are based on prospectively determined rates or discounts from established charges.

A summary of net patient service revenue follows:

	2014	2013
Gross patient service charges		
Inpatient	$ 282,302,701	$ 257,276,208
Outpatient	214,523,421	188,971,051
Physician	84,268,998	45,974,583
Hospice	1,595,323	1,847,565
	582,690,443	494,069,407
Third-party contractual adjustments	(330,929,811)	(279,686,470)
Other discounts and adjustments	(9,765,391)	(9,465,056)
Charity care	(8,874,173)	(9,547,053)
Patient service revenue	233,121,068	195,370,828
Provision for uncollectible accounts	(23,493,601)	(22,568,949)
Net patient service revenue	$209,627,467	$172,801,879

Patient service revenue, net of third-party contractual adjustments, other discounts and adjustments, and charity care (but before the provision for uncollectible accounts) by major payor sources is as follows:

	2014	2013
Medicare	$ 81,353,707	$ 61,972,710
Medicaid	14,890,734	13,461,197
Blue Cross	63,587,230	50,740,181
Other third-party payors	53,456,124	50,479,345
Patients	19,833,273	18,717,395
Patient service revenue	$ 233,121,068	$ 195,370,828

NOTE C - NET PATIENT SERVICE REVENUE - Continued

Revenue from the Medicare and Medicaid programs accounted for approximately 35 percent and 6 percent, respectively, of the Health Center's patient service revenue net of third-party contractual adjustments, other discounts and adjustments, and charity care during 2014, and 32 percent and 7 percent of the Health Center's patient service revenue net of third-party contractual adjustments, other discounts and adjustments, and charity care during 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 could change by a material amount in the near term.

In 2009, Centers for Medicare & Medicaid Services (CMS) expanded the Recovery Audit Contractor (RAC) program to all 50 states. The RAC program was implemented to detect Medicare overpayments not identified through existing claims review mechanisms and uses private companies paid on a contingency basis. Although the Health Center believes its claims submitted to the Medicare program are accurate, it has had claims audited and denied by the RAC program. During the years ended September 30, 2014 and 2013, claims totaling $827,903 and $2,644,469, respectively, were audited and denied by the RAC program. Claim denials are charged to contractual adjustments when incurred.

The Health Center is in various stages of appeal for denied claims and intends to vigorously appeal any future claims denied by the RAC program. There are $2,597,456 of claims under appeal as of September 30, 2014 ($2,131,192 of those are for denials that occurred during the 2014 and 2013 fiscal years). The Health Center received repayment of $837,079 during the 2014 fiscal year for claims under appeal in which the appeals were won.

NOTE D - OTHER NONOPERATING GAINS

The American Recovery and Reinvestment Act of 2009 (ARRA) provides for incentive payments under the Medicare and Medicaid programs for certain hospitals and physician practices that demonstrate meaningful use of certified electronic health record (EHR) technology. These provisions of ARRA are intended to promote the adoption and meaningful use of interoperable health information technology and qualified EHR technology.

The Health Center recognizes revenue for EHR incentive payments when it has attested that it has demonstrated meaningful use of certified EHR technology for the applicable period. The demonstration of meaningful use is based upon meeting a series of objectives and varies between hospital facilities and physician practices and between the Medicare and Medicaid programs. Additionally, meeting the objectives in order to demonstrate meaningful use becomes progressively more stringent as its implementation is phased in through stages as outlined by CMS. During the years ended September 30, 2014 and 2013, the Health Center recognized revenue of approximately $1,892,000 and $2,753,000, respectively, for EHR incentive payments. This amount is included in other nonoperating gains in the consolidated statements of operations.

The Health Center incurs both capital expenditures and operating expenses in connection with the implementation of its EHR initiatives. The amounts and timing of these expenditures do not directly correlate with the timing of the Health Center's recognition of EHR incentive payments as revenue.

NOTE E - ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The Health Center's allowance for uncollectible accounts for self-pay patients was 10.1 percent and 12.2 percent of gross patient accounts receivable at September 30, 2014 and 2013, respectively. The Health Center's net bad debt write-offs were approximately $24,400,000 (4.3 percent of gross patient service charges) and $22,100,000 (4.6 percent of gross patient service charges) for the years ended September 30, 2014 and 2013, respectively.

The increase in net bad debt write-offs was the result of increases in patient volume during the 2014 fiscal year. The Health Center did not change its charity care or uninsured discount policies during the years ended September 30, 2014 or 2013. The Health Center does not maintain a material allowance for uncollectible accounts from third-party payors, nor has it incurred any significant bad debt write-offs from third-party payors.

NOTE F - PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment consist of the following:

	2014	2013
Land and land improvements	$ 10,581,676	$ 10,687,216
Buildings and building improvements	179,245,189	174,317,864
Major movable equipment	99,263,233	89,358,336
Commercial and residential property	1,187,923	1,406,357
	290,278,021	275,769,773
Less accumulated depreciation	(170,522,801)	(159,169,594)
	119,755,220	116,600,179
Construction in progress	1,049,173	9,395,785
	$ 120,804,393	$ 125,995,964

Construction in progress consists of costs incurred to date for various building and remodeling projects and equipment that have not yet been placed in service.

NOTE G - INVESTMENTS AND ASSETS LIMITED AS TO USE

All investments are stated at fair value. Assets limited as to use that are required and available to meet obligations classified as current liabilities are reported in current assets.

NOTE G - INVESTMENTS AND ASSETS LIMITED AS TO USE - Continued

The following is a summary of the Health Center's current operating investments:

	2014	2013
Cash and cash equivalents	$ 6,987,543	$ 7,486,778
Marketable debt securities		
Government agency obligations	11,560,203	13,129,557
Commercial notes	22,082,751	11,551,325
Fixed income mutual funds	8,539,749	5,723,182
Marketable equity securities and equity mutual funds	84,156,806	73,650,650
Assets held by Greater Salina Community Foundation	13,958	34,326
Total investments	$ 133,346,010	$ 112,575,818

The composition of assets limited as to use is as follows:

	2014			
	Cash and cash equivalents	Marketable debt securities	Marketable equity securities	Total
By Board for capital improvements	$23,456,649	$29,845,073	$63,743,483	$117,045,205
By Board for unemployment benefits	4,839	30,369	64,792	100,000
By Board for debt retirement	67,744	425,170	907,086	1,400,000
By Board for workers' compensation benefits	400,000			400,000
Under bond indenture - held by trustee	7,449,082			7,449,082
Under trust agreement for professional liability claims	113,998	485,424	948,038	1,547,460
By donors - temporarily restricted	222,975			222,975
By donors - permanently restricted	33,440	69,237	252,752	355,429
Total assets limited as to use	$31,748,727	$30,855,273	$65,916,151	128,520,151
Less current portion				4,284,119
				$124,236,032

NOTE G - INVESTMENTS AND ASSETS LIMITED AS TO USE - Continued

	2013			
	Cash and cash equivalents	Marketable debt securities	Marketable equity securities	Total
By Board for capital improvements	$17,401,410	$26,941,237	$59,552,990	$103,895,637
By Board for unemployment benefits	6,922	26,920	66,858	100,000
By Board for debt retirement	87,108	376,878	936,014	1,400,000
By Board for workers' compensation benefits	400,000			400,000
Under bond indenture - held by trustee	6,649,215			6,649,215
Under trust agreement for professional liability claims	45,108	510,286	984,399	1,539,793
By donors - temporarily restricted	226,604			226,604
By donors - permanently restricted	20,606	57,478	216,877	304,961
Total assets limited as to use	$24,936,273	$27,922,799	$61,757,138	114,516,210
Less current portion				3,402,849
				$111,113,361

The following is a summary of marketable debt securities that are limited as to use:

	2014	2013
Government and agency obligations	$ 7,144,588	$ 12,726,999
Corporate bonds	17,324,674	9,845,720
Fixed income mutual funds	6,386,011	5,350,080
Total marketable debt securities	$ 30,855,273	$ 27,922,799

Investment income, gains, and losses for assets limited as to use, cash equivalents, and other investments are comprised of the following:

	2014	2013
Income		
Interest and dividend income	$ 5,587,735	$ 4,813,694
Net realized gains and losses on sale of securities	1,406,837	390,049
Net amortization of premiums and discounts on bonds acquired	(15,687)	(16,819)
Investment income	$ 6,978,885	$ 5,186,924
Other changes in unrestricted net assets		
Net change in unrealized gains and losses on investments	$ 10,550,842	$ 18,540,514

NOTE H - BENEFICIAL INTEREST IN NET ASSETS OF FOUNDATION

Salina Regional Health Foundation, Inc. (the Foundation) is organized as a separate not-for-profit corporation for charitable, educational, and scientific purposes, including, but not limited to, the sponsorship of specific projects and programs to improve health care services in the geographic area served by Salina Regional Health Center, Inc. and, in connection with such activities, to promote the general health and welfare of the public, and to encourage, support, and promote education, training, and research programs. In order to accomplish such purposes, the Foundation makes distributions to tax-exempt organizations, including the Health Center and other causes and institutions related to, affiliated with, or cooperating in the achievement of its purposes. The Foundation's operations are managed by a 19-member Board of Trustees, with the Chairperson and Chief Executive Officer of the Health Center serving as ex-officio members of the Board with one vote each. The Foundation is also a corporate member of the Health Center (see Note A1). During the years ended September 30, 2014 and 2013, the Foundation transferred $879,883 and $388,966, respectively, to the Health Center for various programs and capital projects.

NOTE I - LONG-TERM INVESTMENTS

Long-term investments include the Health Center's 50 percent interest in Salina Surgical Center, LLC (the Operating LLC), d/b/a Salina Surgical Hospital in Salina, Kansas, and Salina Surgery Properties, LLC (the Real Estate LLC) which owns the surgical hospital building. The Real Estate LLC has entered into a lease with the Health Center to lease the land that the surgical hospital building is built upon for $39,100 per year. The Health Center's investment in the LLCs includes goodwill acquired at the time of purchase which the Health Center reviews for possible impairment at least annually. There was no change in the carrying amount of this goodwill during 2014 or 2013. The Health Center includes in nonoperating gains its share of the earnings of the LLCs. For the years ended September 30, 2014 and 2013, the Health Center recognized nonoperating gains of $3,266,667 and $3,476,260, respectively, and received distributions of $3,275,000 and $2,650,500, respectively, from the two LLCs. A summary of the Health Center's investment in the Operating LLC and the Real Estate LLC is as follows:

	2014	2013
Undistributed equity in LLCs	$ 2,935,840	$ 2,944,173
Goodwill, net of accumulated amortization	2,681,250	2,681,250
Investment in LLCs	$ 5,617,090	$ 5,625,423

Long-term investments also include $7,070,138 for goodwill recognized in connection with the purchase of physician practices. The Health Center reviews it for possible impairment at least annually. There has been no change in the carrying amount of this goodwill since acquisition.

NOTE J - LONG-TERM DEBT

Long-term debt is summarized as follows:

	2014	2013
Series 2006, 4.00% to 5.00%, fixed rate term and serial bonds, interest payable semiannually, with annual principal payments and mandatory sinking fund redemptions continuing through 2036, collateralized by substantially all property, plant, and equipment, including unamortized premium of $102,466 in 2014 and $109,878 in 2013	$ 54,377,466	$ 55,184,878
Promissory note payable at an interest rate of 4.8%, payable in monthly installments through October 10, 2013, collateralized by certain assets		883
Series 2009, 2.25% to 3.75%, general obligation bonds due serially through October 1, 2020, interest payable semiannually, collateralized by the full faith, credit, and resources of the City of Lindsborg, Kansas	330,000	380,000
Capital lease obligation, imputed interest rate of 3.56%, due through August 1, 2016, collateralized by leased equipment with an amortized cost of $135,515 at September 30, 2014	146,568	219,165
	54,854,034	55,784,926
Less current portion	1,550,224	873,480
	$ 53,303,810	$ 54,911,446

On April 7, 2006, the City of Salina issued $64,885,000 in Hospital Refunding and Improvement Revenue Bonds, Series 2006, to use along with other available funds to extinguish its Series 1999 Revenue Bonds and to construct a new patient tower. In connection with the issuance of the Series 2006 Revenue Bonds, the City of Salina and the Health Center entered into a Supplemental Lease Agreement dated April 1, 2006, whereby the City continued to lease the facility to the Health Center. The Health Center has the option to acquire legal title to the Health Center facility at any time during the remaining term of the agreements by paying an amount sufficient to redeem the principal amount of the bonds outstanding, plus accrued interest to the redemption date, and all other costs associated with the redemption, plus a nominal amount.

NOTE J - LONG-TERM DEBT - Continued

The Series 2006 Bonds maturing on October 1, 2026, are subject to redemption on or after April 1, 2013; all other Series 2006 Bonds maturing on or after October 1, 2016, are subject to redemption on or after April 1, 2016, in whole or in part at any time, at 100 percent of the principal amount thereof, plus accrued interest to the redemption date

Under the terms of the 2006 revenue bond indenture, the Health Center is required to maintain certain deposits with a trustee. Such deposits are included with assets limited as to use. The revenue bond indenture also places limits on the incurrence of additional borrowings and requires that the Health Center satisfy certain measures of financial performance as long as the bonds are outstanding.

On May 1, 2000, LCH sold its building to the City of Lindsborg in exchange for the proceeds of general obligation bonds then issued by the City (which were subsequently refinanced by the City's Series 2009 general obligation bonds), and entered into an agreement with the City to lease back the building for 20 years with a $1 buy-out at the end of the lease term. Under the terms of the lease, LCH pays annual rent in an amount equal to the annual debt service payments on the bonds.

Scheduled principal repayments on long-term debt are as follows:

Year ending September 30,	
2015	$ 1,550,224
2016	1,656,344
2017	1,665,000
2018	1,750,000
2019	1,830,000
Thereafter	46,402,466
	$ 54,854,034

NOTE K - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets are those whose use by the Health Center has been limited by donors to a specific time period or purpose. Temporarily restricted net assets are available for the following purposes:

	2014	2013
To care for underprivileged children	$ 201,053	$ 146,751
Student loans and scholarships	31,920	32,083
Capital improvements	160,705	168,006
Beneficial interest in net assets of Foundation	3,269,765	3,214,360
Total	$ 3,663,443	$ 3,561,200

NOTE K - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS - Continued

Permanently restricted net assets have been restricted by donors to be maintained by the Health Center in perpetuity. Permanently restricted net assets are as follows, with a description of how the investment income is to be used:

	2014	2013
Assets held in trust - income to be used for underprivileged children	$ 184,576	$ 184,576
Assets held in trust - income to be used for major capital improvements or to repay mortgage indebtedness	6,368,116	6,035,653
Assets held by Foundation - income to be used for various Health Center programs	889,141	729,526
Total	$ 7,441,833	$ 6,949,755

NOTE L - PENSION PLAN

The Health Center sponsors a defined contribution pension plan that covers substantially all full-time employees who have completed one year of service. Annual contributions to the plan are based on a percentage of eligible employee compensation. Pension expense amounted to approximately $3,370,000 and $2,740,000 for the years ended September 30, 2014 and 2013, respectively.

NOTE M - PROFESSIONAL LIABILITY INSURANCE

Medical malpractice claims are covered by the Health Center under a self-insured professional liability plan. Under this plan, the Health Center is liable for claims up to $200,000 per occurrence and a $600,000 annual aggregate. The Kansas Healthcare Stabilization Fund bears the liability for the next $800,000 per occurrence and $2,400,000 aggregate. There is additional umbrella coverage above these limits up to $5,000,000 for claims made through September 30, 2008, and $15,000,000 for claims made thereafter under a commercial insurance policy. All coverage is on a claims-made basis.

The Health Center has established a trust account to fund expected future malpractice losses and claims expenses. The trust is funded based on the findings of an actuary. The balance of the trust account, which is included in assets limited as to use, was $1,547,460 as of September 30, 2014. Current liabilities include an accrual of $1,100,344 for the estimated present value of expected future malpractice losses and claims expenses. The Health Center estimated these losses and expenses based on an actuary's findings.

NOTE N - CONCENTRATION OF CREDIT RISK

The Health Center has entered into repurchase agreements with a bank to purchase and resell direct obligations of, or obligations that are insured as to principal and interest by, the U.S. Government. As of September 30, 2014, the total amount of repurchase agreements entered into by the Health Center was approximately $28,600,000.

The Health Center grants credit without collateral to its patients. The mix of receivables from patients and third-party payors is summarized as follows:

	2014	2013
Medicare	40%	32%
Medicaid	11	14
Blue Cross	15	18
Commercial	26	20
Self-pay	8	16
	100%	100%

NOTE O - COMMITMENTS AND CONTINGENCIES

As of September 30, 2014, the Health Center had a $1,748,000 unused letter of credit loan with a bank as required by Kansas statutes for the self-insured portion of workers' compensation claims risk. The letter of credit loan is to be drawn upon as needed, with interest at 3.25 percent.

Leases that do not meet the criteria for capitalization are classified as operating leases, with related expense recorded in the period incurred. Total rental expense for all operating leases in 2014 and 2013, was $1,130,985 and $1,016,737, respectively.

The Health Center is involved in litigation arising in the ordinary course of business. See Note M for accrual for a loss contingency related to claims. After consultation with legal counsel, management believes that the accrual for potential self-insured claims is sufficient and that the resolution of these matters will not have a material adverse effect on the Health Center's future financial position or results of operations. Other claims may be asserted arising from past services provided.

NOTE P - FUNCTIONAL EXPENSES

The Health Center provides services to residents within its geographical location. Expenses related to providing these services are as follows:

	2014	2013
Health services		
Routine services	$ 23,536,356	$ 23,647,712
Ancillary services	116,463,917	87,833,773
Other professional services	11,962,824	12,967,217
Support services		
Housekeeping and property	7,621,223	7,314,680
Administration	23,813,135	22,852,861
General	19,481,793	18,882,788
Total	$ 202,879,248	$ 173,499,031

NOTE Q - FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date Fair value is determined according to a hierarchy that gives highest priority to use of observable inputs and lowest priority to use of unobservable inputs. These inputs are described as follows:

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

Level 2 inputs to the valuation methodology are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs to the valuation methodology are unobservable, supported by little or no market activity, and are significant to the fair value measurement

NOTE Q - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methodologies used by the Health Center for assets measured at fair value on a recurring basis.

Money market accounts, equity mutual funds, fixed income mutual funds, and common stocks are valued at unadjusted quoted prices for identical securities in active markets.

Government and agency obligations and corporate bonds are valued at prices provided by independent pricing services.

The following tables set forth, by level, the Health Center's assets measured at fair value on a recurring basis.

	September 30, 2014			
	Level 1	Level 2	Level 3	Total
Cash	$ 50,605	$ -	$ -	$ 50,605
Interest receivable	181,697			181,697
Money market accounts	6,755,241			6,755,241
Equity mutual funds	84,175,764			84,175,764
Fixed income mutual funds	8,529,749			8,529,749
Government and agency obligations		11,560,203		11,560,203
Corporate bonds		22,082,751		22,082,751
Total operating investments	$ 99,703,056	$ 33,642,954	$ -	$133,346,010
Cash	$ 23,310,009	$ -	$ -	$ 23,310,009
Interest receivable	464,815			464,815
Money market accounts	7,973,903			7,973,903
Common stocks	12,255			12,255
Equity mutual funds	65,903,896			65,903,896
Fixed income mutual funds	6,386,011			6,386,011
Government and agency obligations		7,144,588		7,144,588
Corporate bonds		17,324,674		17,324,674
Total assets limited as to use	$104,050,889	$ 24,469,262	$ -	$128,520,151
Cash	$ (10,536)	$ -	$ -	$ (10,536)
Money market accounts	305,317			305,317
Common stocks	1,948,142			1,948,142
Equity mutual funds	2,232,741			2,232,741
Fixed income mutual funds	51,781			51,781
Government and agency obligations		650,395		650,395
Corporate bonds		1,102,464		1,102,464
Equity securities in MLPs		48,100		48,100
Oil and gas rights		39,712		39,712
Total assets held in trust	$ 4,527,445	$ 1,840,671	$ -	$ 6,368,116

NOTE Q - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

	September 30, 2013			
	Level 1	Level 2	Level 3	Total
Cash	$ 482,980	$ -	$ -	$ 482,980
Interest receivable	149,675			149,675
Money market accounts	6,854,123			6,854,123
Equity mutual funds	73,684,976			73,684,976
Fixed income mutual funds	6,723,182			6,723,182
Government and agency obligations		13,129,557		13,129,557
Corporate bonds		11,551,325		11,551,325
Total operating investments	$ 97,894,936	$ 24,680,882	$ -	$112,575,818
Cash	$ 16,484,600	$ -	$ -	$ 16,484,600
Interest receivable	441,538			441,538
Money market accounts	7,910,135			7,910,135
Common stocks	10,894			10,894
Equity mutual funds	61,746,244			61,746,244
Fixed income mutual funds	5,350,080			5,350,080
Government and agency obligations		12,726,999		12,726,999
Corporate bonds		9,845,720		9,845,720
Total assets limited as to use	$ 91,943,491	$ 22,572,719	$ -	$114,516,210
Cash	$ (8,716)	$ -	$ -	$ (8,716)
Money market accounts	291,879			291,879
Common stocks	1,886,503			1,886,503
Equity mutual funds	2,248,513			2,248,513
Fixed income mutual funds	51,692			51,692
Government and agency obligations		577,141		577,141
Corporate bonds		951,127		951,127
Oil and gas rights		37,514		37,514
Total assets held in trust	$ 4,469,871	$ 1,565,782	$ -	$ 6,035,653

The following methods and assumptions were used by the Health Center in estimating the fair value of its financial instruments, other than financial instruments measured at fair value on a recurring basis:

Cash and cash equivalents: The carrying amount reported in the balance sheet for cash and cash equivalents approximates its fair value.

Patient accounts receivable: The carrying amount reported in the balance sheet for patient accounts receivable approximates its fair value.

Accounts payable, accrued expenses, and other current liabilities: The carrying amount reported in the balance sheet for accounts payable, accrued expenses, and other current liabilities approximates their fair value

Estimated reimbursements payable: The carrying amounts reported in the balance sheet for estimated reimbursements payable approximates its fair value

NOTE Q - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

Long-term debt: The carrying value of the 2006 bonds payable was $54,377,466 at September 30, 2014. Fair value of those bonds based on quoted market prices in active markets for identical assets was $53,839 810 at September 30, 2014. The carrying value of the Health Center's remaining long-term debt approximates its fair value.

NOTE R - OTHER RELATED PARTY TRANSACTIONS

The Health Center's Board of Trustees approves contributions to the Foundation. At September 30, 2014 and 2013, liabilities in the amounts of $1,069,072 and $672,810, respectively, have been accrued for contributions to the Foundation.

At September 30, 2014, the Health Center has approximately $1,162,000 of deposits with a local bank. A member of the Health Center's Board of Trustees is an executive officer of the local bank. The Health Center has approximately $4,400,000 of investments under management and in custody of another local bank at September 30, 2014. A member of the Health Center's Board of Trustees is an executive officer of this bank and is a member of the bank's Board of Directors.

SUPPLEMENTARY INFORMATION

SALINA REGIONAL HEALTH CENTER, INC. AND SUBSIDIARIES

SUPPLEMENTARY CONSOLIDATING SCHEDULE, BALANCE SHEET INFORMATION

September 30, 2014

	Salina Regional Health Center, Inc.	Hospice of Salina, Inc.	Salina Regional Health Enterprises, Inc.	Salina Regional Health Properties Inc	Salina Regional Home Medical Services, LLC	Lindsborg Community Hospital Association	Eliminations	Consolidated
ASSETS								
Current assets								
Cash and cash equivalents	$ 14,703,720	$ 20,434	$ 76,199	$ 30,000	$ 72,971	$ 419,878	$ -	$ 15,323,205
Investments	132,531,908	18,958			471,555	323,589		133,346,010
Patient accounts receivable	30,789,094	734,452			273,045	1,417,696		33,214,287
Inventories	1,462,964				240,091	173,714		1,876,769
Estimated reimbursements receivable	2,243,694							2,243,694
Prepaid expenses and other current assets	5,600,014	13,063	46,237	5	(14,582)	54,605	(966,700)	4,712,642
Current portion of assets limited as to use	4,284,119							4,284,119
Total current assets	191,615,513	786,907	122,436	30,005	1,043,083	2,369,482	(966,700)	195,000,726
Property, plant, and equipment, net	109,685,775	2,675,320		6,121,878	294,393	2,027,027		120,804,393
Assets limited as to use, less current portion	113,994,604	66,762		9,482,768		691,898		124,236,032
Beneficial interest in net assets of Foundation	4,158,906							4,158,906
Deferred financing costs	360,922							360,922
Long-term investments and other assets	17,696,517				1,108		(3,867,005)	13,830,620
Assets held in trust	6,368,116							6,368,116
Total assets	$443,880,353	$ 3,528,989	$ 122,436	$ 15,634,651	$ 1,338,584	$ 5,088,407	$ (4,833,705)	$464,759,715

SALINA REGIONAL HEALTH CENTER, INC. AND SUBSIDIARIES

SUPPLEMENTARY CONSOLIDATING SCHEDULE, BALANCE SHEET INFORMATION - CONTINUED

September 30, 2014

	Salina Regional Health Center, Inc	Hospice of Salina, Inc.	Salina Regional Health Enterprises, Inc.	Salina Regional Health Properties, Inc.	Salina Regional Home Medical Services, LLC	Lindsborg Community Hospital Association	Eliminations	Consolidated
LIABILITIES AND NET ASSETS								
Current liabilities								
Current portion of long-term debt	$ 1,475,000	$ -	$ -	$ -	$ -	$ 75,224	$ -	$ 1,550,224
Accounts payable	6,352,664	60,108		108,067	108,522	(2,642)		6,626,719
Accrued payroll and related liabilities	13,049,994	72,466			16,288	319,719		13,458,467
Professional liability	1,100,344							1,100,344
Accrued interest payable	1,308,775							1,308,775
Estimated reimbursements payable	3,862,169					646,335		4,508,504
Other current liabilities	118,614	24,360	245,894	234,305	1,175	489,921	(966,700)	147,569
Total current liabilities	27,267,560	156,934	245,894	342,372	125,985	1,528,557	(966,700)	28,700,602
Long-term debt, less current portion	52,902,466					401,344		53,303,810
Other long-term liabilities	454,413							454,413
Total long-term liabilities	53,356,879	-	-	-	-	401,344	-	53,758,223
Total liabilities	80,624,439	156,934	245,894	342,372	125,985	1,929,901	(966,700)	82,458,825
Net assets								
Salina Regional Health Center								
Unrestricted	352,217,400	3,305,293	(123,458)	15,292,279	618,426		(3,867,005)	367,442,935
Temporarily restricted	3,596,681	66,762						3,663,443
Permanently restricted	7,441,833							7,441,833
Total net assets Salina Regional Health Center	363,255,914	3,372,055	(123,458)	15,292,279	618,426	-	(3,867,005)	378,548,211
Noncontrolling interests in consolidated subsidiaries					594,173	3,158,506		3,752,679
Total net assets	363,255,914	3,372,055	(123,458)	15,292,279	1,212,599	3,158,506	(3,867,005)	382,300,890
Total liabilities and net assets	$443,880,353	$ 3,528,989	$ 122,436	$ 15,634,651	$ 1,338,584	$ 5,088,407	$ (4,833,705)	$464,759,715

SALINA REGIONAL HEALTH CENTER, INC. AND SUBSIDIARIES

SUPPLEMENTARY CONSOLIDATING SCHEDULE, STATEMENT OF OPERATIONS INFORMATION

Year ended September 30, 2014

	Salina Regional Health Center, Inc.	Hospice of Salina, Inc	Salina Regional Health Enterprises, Inc.	Salina Regional Health Properties, Inc.	Salina Regional Home Medical Services, LLC	Lindsborg Community Hospital Association	Eliminations	Consolidated
Patient service revenue	$222,217,052	$ 1,348,875	$ -	$ -	$ -	$ 9,555,141	$	$233,121,068
Provision for uncollectible accounts	(23,141,147)	(57,248)				(295,206)		(23,493,601)
Net patient service revenue	199,075,905	1,291,627				9,259,935		209,627,467
Other operating revenue	2,397,405	4,726	578,053	1,740,538	1,583,213	75,067	(1,117,857)	5,261,145
Net assets released from restrictions for operations	200	7,302						7,502
Total operating revenue	201,473,510	1,303,655	578,053	1,740,538	1,583,213	9,335,002	(1,117,857)	214,896,114
Operating expenses								
Salaries and wages	82,827,875	796,030			229,066	4,326,604		88,179,575
Employee fringe benefits	17,197,756	226,640			62,277	870,546		18,357,221
Professional fees	8,423,198	309,844		66,548	159,325	66,529		9,045,444
Supplies	40,828,258	233,981		61,463	162,659	723,547	9,278	42,019,206
Utilities	2,503,845	27,394		193,217	11,544	93,425	16,109	2,845,534
Interest	2,636,245					20,068		2,656,313
Depreciation and amortization	13,418,826	70,555		654,429	122,198	495,561	40,854	14,802,423
Other expenses	22,946,777	192,004	562,759	542,053	473,368	1,413,499	(1,156,928)	24,973,532
Total operating expenses	190,782,782	1,856,448	562,759	1,537,730	1,220,437	8 009,779	(1,090,687)	202,879,248
Income from operations	10,690,728	(552,793)	15,294	202,808	362,776	1,325,223	(27,170)	12,016,866
Nonoperating gains								
Investment income	6,965,058	80	36	10,666	1,387	1,658		6,978,895
Other, net	3,303,051	103,405			72,413	144,220	323,478	3,846,567
Nonoperating gains, net	10,268,109	103,485	36	10,666	73,800	145,878	223,478	10,825,462
Operating income and net nonoperating gains	20,958,837	(449,308)	15,330	213,474	436,576	1,471,101	196,308	22,842,318
Net assets released from restrictions for capital	215,359							215,359
Net change in unrealized gains and losses on investments	10.522,774	1,139				26,929		10.550,842
Intercompany transfers	213,474	675,000		(213,474)	(153,000)		(522,000)	
Change in unrestricted net assets including income attributable to noncontrolling interests	31.910,444	226,831	15.330	-	283,576	1,498,030	(325,692)	33.608.519
Less income attributable to noncontrolling interests					(213,922)	(1,498,030)		(1,711,952)
Change in unrestricted net assets	$ 31,910,444	$ 226,831	$ 15,330	$ -	$ 69,654	$ -	$ (325,692)	$ 31,896,567

SALINA REGIONAL HEALTH CENTER, INC. AND SUBSIDIARIES

SUPPLEMENTARY CONSOLIDATING SCHEDULE, STATEMENT OF CHANGES IN NET ASSETS INFORMATION

Year ended September 30, 2014

	Salina Regional Health Center, Inc	Hospice of Salina, Inc.	Salina Regional Health Enterprises, Inc	Salina Regional Health Properties, Inc.	Salina Regional Home Medical Services, LLC	Lindsborg Community Hospital Association	Eliminations	Consolidated
Salina Regional Health Center								
Unrestricted net assets								
Income from operations	$ 10,690,728	$ (552,793)	$ 15,294	$ 202,806	$ 362,776	$ 1,525,223	$ (27,170)	$ 12,016,866
Nonoperating gains, net	10,268,109	103,485	36	10,666	73,800	145,878	223,478	10,825,452
Net assets released from restrictions for capital	215,359							215,359
Net change in unrealized gains and losses on investments	10,522,774	1,139				26,929		10,550,842
Intercompany transfers	213,474	675,000		(213,474)	(153,000)		(522,000)	
Less income attributable to noncontrolling interests					(213,922)	(1,498,030)		(1,711,952)
Net change	31,910,444	226,831	15,330	-	69,654	-	(325,692)	31,896,567
Balances, beginning of year	320,306,956	3,078,462	(138,788)	15,292,279	548,772		(3,541,313)	335,546,368
Balances, end of year	$352,217,400	$ 3,305,293	$ (123,458)	$ 15,292,279	$ 618,426	$ -	$ (3,867,005)	$367,442,935
Temporarily restricted net assets								
Investment income	$ 244,335	$ -						$ 244,335
Net assets released from restrictions for operations	(200)	(7,302)						(7,502)
Net assets released from restrictions for capital	(215,359)							(215,359)
Change in beneficial interest in net assets of Foundation, net of transfers	80,769							80,769
Net change	109,545	(7,302)						102,243
Balances, beginning of year	3,487,136	74,064						3,561,200
Balances, end of year	$ 3,596,681	$ 66,762						$ 3,663,443
Permanently restricted net assets								
Change in beneficial interest in net assets of Foundation	$ 159,616							$ 159,616
Change in fair value of assets held in trust	332,462							332,462
Net change	492,078							492,078
Balances, beginning of year	6,949,755							6,949,755
Balances, end of year	$ 7,441,833							$ 7,441,833
Noncontrolling interests in consolidated subsidiaries								
Income attributable to noncontrolling interests					$ 213,922	$ 1,498,030		$ 1,711,952
Capital distribution					(147,000)			(147,000)
Net change					66,922	1,498,030		1,564,952
Balances, beginning of year					527,251	1,660,476		2,187,727
Balances, end of year					$ 594,173	$ 3,158,506		$ 3,752,679

SALINA REGIONAL HEALTH CENTER, INC. AND SUBSIDIARIES

SUPPLEMENTARY CONSOLIDATING SCHEDULE, BALANCE SHEET INFORMATION

September 30, 2013

	Salina Regional Health Center, Inc.	Hospice of Salina, Inc.	Salina Regional Health Enterprises, Inc	Salina Regional Health Properties, Inc.	Salina Regional Home Medical Services, LLC	Lindsborg Community Hospital Association	Eliminations	Consolidated
ASSETS								
Current assets								
Cash and cash equivalents	$ 10,442,086	$ 128,411	$ 7,097	$ 30,000	$ 54,855	$ 303,571	$	$ 10,966,020
Investments	111,826,249	17,819			435,577	296,173		112,575,818
Patient accounts receivable	29,157,189	424,125			238,914	1,062,545		30,882,773
Inventories	1,334,375				143,040	119,626		1,597,041
Estimated reimbursements receivable	1,760,642					1,131,761		2,892,403
Prepaid expenses and other current assets	7,249,236	18,466	67,185		(74,384)	57,461	(3,728,227)	3,589,737
Current portion of assets limited as to use	3,402,849							3,402,849
Total current assets	165,172,626	588,821	74,282	30,000	798,002	2,971,137	(3,728,227)	165,906,641
Property, plant and equipment, net	114,029,993	2,790,509		6,759,440	359,685	2,056,337		125,995,964
Assets limited as to use, less current portion	101,550,557	74,064		8,822,196		666,544		111,113,361
Beneficial interest in net assets of Foundation	3,943,886							3,943,886
Deferred financing costs	387,030							387,030
Long-term investments and other assets	17,385,254				20		(3,541,313)	13,843,961
Assets held in trust	6,035,653							6,035,653
Total assets	$408,504,999	$ 3,453,394	$ 74,282	$ 15,611,636	$ 1,157,707	$ 5,694,018	$ (7,269,540)	$427,226,496

SALINA REGIONAL HEALTH CENTER, INC. AND SUBSIDIARIES

SUPPLEMENTARY CONSOLIDATING SCHEDULE, BALANCE SHEET INFORMATION - CONTINUED

September 30, 2013

	Salina Regional Health Center, Inc.	Hospice of Salina, Inc	Salina Regional Health Enterprises, Inc.	Salina Regional Health Properties, Inc.	Salina Regional Home Medical Services, LLC	Lindsborg Community Hospital Association	Eliminations	Consolidated
LIABILITIES AND NET ASSETS								
Current liabilities								
Current portion of long-term debt	$ 800,683	$ -	$ -	$ -	$ -	$ 72,597	$ -	$ 873,480
Accounts payable	4,296,796	99,849		103,444	58,199	(1,658)		4,556,630
Accrued payroll and related liabilities	11,503,777	143,537			16,895	179,742		11,843,951
Professional liability	878,074							878,074
Accrued interest payable	1,324,775							1,324,775
Estimated reimbursements payable	4,073,051					17,917		4,090,968
Other current liabilities	165,525	57,482	213,070	215,913	5,590	3,238,376	(3,728,227)	168,729
Total current liabilities	23,042,881	300,868	213,070	319,357	81,684	3,506,974	(3,728,227)	23,736,607
Long-term debt, less current portion	54,384,878					526,568		54,911,446
Other long-term liabilities	333,393							333,393
Total long-term liabilities	54,718,271	-	-	-	-	526,568	-	55,244,839
Total liabilities	77,761,152	300,868	213,070	319,357	81,684	4,033,542	(3,728,227)	78,981,446
Net assets								
Salina Regional Health Center								
Unrestricted	320,306,956	3,078,462	(138,788)	15,292,279	548,772		(3,541,313)	335,546,368
Temporarily restricted	3,487,136	74,064						3,561,200
Permanently restricted	6,949,755							6,949,755
Total net assets Salina Regional Health Center	330,743,847	3,152,526	(138,788)	15,292,279	548,772	-	(3,541,313)	346,057,323
Noncontrolling interests in consolidated subsidiaries					527,251	1,660,476		2,187,727
Total net assets	330,743,847	3,152,526	(138,788)	15,292,279	1,076,023	1,660,476	(3,541,313)	348,245,050
Total liabilities and net assets	$408,504,999	$ 3,153,394	$ 74,282	$ 15,611,636	$ 1,157,707	$ 5,694,018	$ (7,269,540)	$427,226,496

SALINA REGIONAL HEALTH CENTER, INC. AND SUBSIDIARIES

SUPPLEMENTARY CONSOLIDATING SCHEDULE, STATEMENT OF OPERATIONS INFORMATION

Year ended September 30, 2013

	Salina Regional Health Center, Inc	Hospice of Salina, Inc	Salina Regional Health Enterprises, Inc	Salina Regional Health Properties, Inc.	Salina Regional Home Medical Services, LLC	Lindsborg Community Hospital Association	Eliminations	Consolidated
Patient service revenue	$186,948,638	$ 1,515,822	$ -	$ -	$ -	$ 6,906,368	$ -	$195,370,828
Provision for uncollectible accounts	(22,142,124)	(64,526)				(362,299)		(22,568,949)
Net patient service revenue	164,806,514	1,451,296				6,544,069		172,801,879
Other operating revenue	2,695,490	(5,261)	535,754	1,628,797	1,468,837	66,850	(632,657)	5,757,810
Net assets released from restrictions for operations	200	61,507						61,707
Total operating revenue	167,502,204	1,507,542	535,754	1,623,797	1,468,837	6,610,919	(632,657)	178,621,396
Operating expenses								
Salaries and wages	68,349,846	1,126,875			228,589	3,644,578		73,549,888
Employee fringe benefits	14,822,571	264,220			58,249	802,757		15,947,797
Professional fees	6,816,124	299,715		109,035	237,819	761,445		8,224,138
Supplies	32,900,410	445,718		68,027	136,958	669,063	3,100	34,223,276
Utilities	1,987,529	36,152		153,235	11,998	111,251	32,088	2,332,253
Interest	2,782,967					32,110		2,815,077
Depreciation and amortization	11,636,421	108,541		640,523	150,761	441,754	81,929	13,059,929
Other expenses	21,277,234	227,306	531,409	494,400	331,096	1,218,880	(733,652)	23,346,673
Total operating expenses	160,773,102	2,508,527	531,409	1,465,220	1,155,470	7,681,838	(616,535)	173,499,031
Income from operations	6,729,102	(1,000,985)	4,345	163,577	313,367	(1,070,919)	(16,122)	5,122,365
Nonoperating gains								
Investment income	5,172,530	111	43	10,139	2,357	1,744		5,186,924
Other, net	3,934,967	99,203			(19,879)	979,919	842,917	5,837,127
Nonoperating gains, net	9,107,497	99,314	43	10,139	(17,522)	981,663	842,917	11,024,051
Operating income and net nonoperating gains	15,836,599	(901,671)	4,388	173,716	295,845	(89,256)	826,795	16,146,416
Net assets released from restrictions for capital	218,612	5,359						223,971
Net change in unrealized gains and losses on investments	18,538,324	2,220						18,540,544
Intercompany transfers	173,716	880,000		(173,716)	(102,000)		(778,000)	
Change in unrestricted net assets including income attributable to noncontrolling interests	34,767,251	(14,092)	4,388	-	193,845	(89,256)	48,795	34,910,931
Less income attributable to noncontrolling interests					(144,964)	89,256		(55,708)
Change in unrestricted net assets	$ 34,767,251	$ (14,092)	$ 4,388	$ -	$ 48,881	$ -	$ 48,795	$ 34,855,223

SALINA REGIONAL HEALTH CENTER, INC. AND SUBSIDIARIES

SUPPLEMENTARY CONSOLIDATING SCHEDULE, STATEMENT OF CHANGES IN NET ASSETS INFORMATION

Year ended September 30, 2013

	Salina Regional Health Center, Inc.	Hospice of Salina, Inc.	Salina Regional Health Enterprises, Inc.	Salina Regional Health Properties Inc	Salina Regional Home Medical Services, LLC	Lindsborg Community Hospital Association	Eliminations	Consolidated
Salina Regional Health Center								
Unrestricted net assets								
Income from operations	$ 6,729,102	$ (1,000,985)	$ 4,345	$ 163,577	$ 313,367	$ (1,070,919)	$ (16,122)	$ 5,122,365
Nonoperating gains, net	9,107,497	99,314	43	10,139	(17,522)	981,663	842,917	11,024,051
Net assets released from restrictions for capital	218,612	5,359						223,971
Net change in unrealized gains and losses on investments	18,538,324	2,220						18,540,544
Intercompany transfers	173,716	880,000		(173,716)	(102,000)		(778,000)	
Less income attributable to noncontrolling interests					(144,964)	89,256		(55,708)
Net change	34,767,251	(14,032)	4,388	-	48,881	-	48,795	34,855,283
Balances, beginning of year	285,539,705	3,092,554	(143,176)	15,292,279	499,891		(3,590,108)	300,691,145
Balances, end of year	$320,306,956	$ 3,078,462	$ (138,788)	$ 15,292,279	$ 548,772	$ -	$ (3,541,313)	$335,546,368
Temporarily restricted net assets								
Investment income	$ 221,651	$ -						$ 221,651
Restricted contributions received								
Net assets released from restrictions for operations	(200)	(61,507)						(61,707)
Net assets released from restrictions for capital	(218,612)	(5,359)						(223,971)
Change in beneficial interest in net assets of Foundation, net of transfers	801,453							801,453
Net change	804,292	(66,866)						737,426
Balances, beginning of year	2,682,844	140,930						2,823,774
Balances, end of year	$ 3,487,136	$ 74,064						$ 3,561,200
Permanently restricted net assets								
Change in fair value of assets held in trust	$ 478,251							$ 478,251
Net change	478,251							478,251
Balances, beginning of year	6,471,504							6,471,504
Balances, end of year	$ 6,949,755							$ 6,949,755
Noncontrolling interests in consolidated subsidiaries								
Income attributable to noncontrolling interests					$ 144,964	$ (89,256)		$ 55,708
Capital distribution					(98,000)			(98,000)
Beginning net assets of noncontrolling interest in subsidiary added to consolidated group						1,749,732		1,749,732
Net change					46,964	1,660,476		1,707,440
Balances, beginning of year					480,287			480,287
Balances, end of year					$ 527,251	$ 1,660,476		$ 2,187,727

Salina Regional Health Center

COMMUNITY HEALTH IMPROVEMENT IMPLEMENTATION STRATEGY 2014

Background

A committee comprised of representatives from Salina-Saline County Health Department (SSCHD), Central Kansas Foundation (CKF), and Salina Regional Health Center (SRHC) conducted a community health assessment that was completed in 2013. Numerous community partners provided formal input. Participants included Unified School Districts 305/306/307, Greater Salina Community Foundation, Salina Area United Way, Catholic Charities, North Central – Flint Hills Area Agency on Aging, Salina Family Healthcare, COMCARE, Central Kansas Mental Health Center, NAACP, Red Cross and many others.

- Committee members presented the concept of "healthy communities." They presented determinants of health: (1) general socioeconomic, cultural and environmental conditions; (2) living and working conditions; (3) social and community networks; (4) individual lifestyle factors; and (5) age, sex and constitutional factors.
- Participants reviewed county data on www.kansashealthmatters.org.
- A representative of the SSCHD provided an in-depth presentation of Saline County statistics, particularly vis-à-vis Kansas and comparative counties (Butler and Reno).
- Committee members provided display boards of data trends and comparisons.
- Participants identified seven draft priorities through a deliberative and participative process.

Following the community partners meeting, the SSCHD made presentations to County and City leadership and the City-County Board of Health. Results were also presented to the SRHC Board of Trustees. We launched a broad community survey process in 2013. Surveys were available on various websites, including those of SRHC, CKF and SSCHD. Paper surveys were available in the public library and various locations in the community. Representatives made public presentations.

The community health assessment committee then reviewed survey results, input from community partners, and in June 2013 prioritized community health issues based on:

- Magnitude of the issue (incidence, prevalence, etc.)
- Seriousness (urgency, severity, cost to society, impact on others)
- Preventability (intervention effectiveness, ability to reach target populations)
- Community Support (the community feels this is an important priority)

Community Priorities

- **Childhood obesity**
- **Teen pregnancy**
- **Adult obesity**
- **Domestic violence**
- **Falls among older adults**
- **Medication misuse**
- **Sexually-transmitted infections**

The initial data report was provided on websites and in paper form at the SRHC information desk, public library, county health department and other locations. The final report is posted on the SRHC website. SRHC broadly distributed a professional publication via newspaper, direct mail, personal distribution to agencies and other public locations. Agencies and organizations were asked to consider the seven community priorities and determine which they would address through programs and other efforts.

- Propriety: Does the problem and the solution fall under the agency's scope of operations and mission?
- Economics: Is intervention cost effective?
- Acceptability: Is intervention viewed as necessary by the agency?
- Resources: Are resources available to address the issue? Do programs already exist in the community? Will additional resources be beneficial?
- Legality: Do we have the legal authority to intervene?

SRHC Focus

Two of the listed community priorities fit well as focus areas for SRHC. The Board of Trustees endorsed these areas in February 2014.

I. **Falls among older adults**
II. **Medication misuse**

Why is SRHC focusing on these issues?

1. Each of the selected priorities is within the SRHC scope of operations and mission as an acute care hospital.
2. Each selected need is consistent with the skill sets and knowledge base of our staff.
3. Falls are the leading cause of traumatic injuries dealt with at SRHC. As a Level III trauma center, placing special emphasis on preventing falls is consistent with our role as a regional trauma center.
4. Medication misuse nationally is a leading cause of hospital readmissions within 30 days post discharge. We have an opportunity to educate patients and their families before discharge.
5. Some excellent resources related to senior falls and medications have not been used in this area. Specifically, there are excellent resources developed by Wichita State University that we can implement locally.
6. The needs related to the elderly open a new avenue of collaboration for SRHC. We work with the regional trauma council (falls) and agencies that work with seniors outside the hospital to prevent medication misuse (e.g., area agency on aging, long term care facilities).

What is SRHC <u>not</u> focusing on and why?

1. We have in the past used SRHC funds, via the community health improvement donation to the Salina Regional Health Foundation, for initiatives related to *obesity* and *teen pregnancy*. Those efforts were not as successful as one might hope. However, they continue to be supported through SRHC's tithe to the Salina Regional Health Foundation and grants subsequently provided to the local public school districts and other qualified entities.
2. The Saline County Health Department has specific programs in place related to *Sexually-Transmitted Infections* (STIs).
3. While not the highest-level focus, SRHC impacts prevention of *domestic violence* through selected programs. SRHC provides Sexual Assault Nurse Examiner-Sexual Assault Response Team (SANE-SART) services at a net loss of $78,768 in 2013. SANE-SART serves victims of domestic violence as well as other patients. Through the Jeans Friday program, SRHC employees last year were encouraged to donate to the Domestic Violence Association of Central Kansas (DVACK). Over $2,200 was raised. Through the Salina Regional Health Foundation and SRHC employees, this organization has provided as much as $90,000 (nearly 10% of the total dollars raised across the county) to the annual campaign of Salina Area United Way. DVACK is a United Way agency.

Implementation Strategy

SRHC distributes a magazine *HealthBeat* to over 40,000 households. Articles on falls prevention and home medication management have been and will continue to be published in this magazine. Additionally, SRHC has developed a partnership with the North Central-Flint Hills Area Agency on Aging (NC-FH AAA) to reach the goals identified in the Community Health Assessment related to fall prevention and medication management.

I. Regional Community Awareness and Outreach for fall prevention and prevention of medication misuse: Awareness about the importance of prevention of falls and specific ways to prevent falls is needed among seniors, caregivers and the general public. These groups also need to understand and be reminded about the importance of asking questions, following proper medication protocols and getting information to prevent medication misuse/mismanagement.

This part of the partnership includes:

Regional newspaper media campaign

Columns organized by NC-FH AAA staff that address medication management and fall prevention topics in six issues of *Keynotes* newspaper. *Keynotes* is distributed to 41,000 households. Copies of *Keynotes* are provided to SRHC for distribution.

Regional Medication Management and Fall Prevention Outreach through Sunflower Fair

The NC-FH AAA's Sunflower Fair is the heartland's premier regional health and wellness event. This event is targeted to seniors, caregivers and people with disabilities features speakers, workshops and exhibitors. It attracts 700-800 people each year. This year's event will be held at Salina's Bicentennial Center on September 23, 2014. SRHC is underwriting two workshop sessions on fall prevention and medication management, providing speakers and panelists, underwriting program materials, publicity and mailings of fall prevention materials and a credit-card size *"Take a Closer Look at Your Meds!"* magnifiers.

II. *A Matter of Balance* Trainings: Through the partnership with NC-FH AAA, we provide the *A Matter of Balance* falls prevention program in Salina. This program is an evidence-based falls prevention program developed by Boston University. *A Matter of Balance* has already been successfully piloted within our region. Participants in *A Matter of Balance* sessions provided in our region report a 92% satisfaction rate.
The eight-week program of two-hour sessions provides seniors and caregivers practical information and tools needed to prevent falls and to identify fall risks. SRHC will refer

patients *A Matter of Balance* sessions. SRHC will fund all-day transportation passes to support *A Matter of Balance* participants in Salina who have transportation needs.

III. "Right at Home" Intervention: The NC-FH AAA is piloting an in-home fall prevention/medication management intervention called "Right at Home" for up to 250 Saline County residents. Participants are identified by health center staff or affiliated groups to be at risk of hospital re-admission due to falls and medication misuse. Professional case managers will visit with those identified to be at risk in their homes within 72 hours of referral by SRHC. Agency staff will follow and assist those referred for 30 days after hospital discharge. Customer satisfaction responses will be collected and compiled.

Each person referred for the "Right At Home" pilot is provided:

- Pre-intervention questions
- An in-home visit by a professional case manager
- Seven frozen nutritious meals
- A "*My Doctor Book*" for the safe-keeping of medication lists and medical records
- A vision assessment
- An assessment of the home environment for fall risks and a "falls-free" action plan
- A "teach-back" review of discharge plans
- A "teach-back" review of medications safety
- Options counseling that will provide information about help and support available in the community to at-risk person and their caregiver
- Three follow-up phone calls
- Post-intervention questions

The Board of Directors of Salina Surgical Hospital (SSH) has reviewed and endorsed the findings of the community needs assessment.

Impact and Evaluation

NC-FH AAA will be collecting data on clients' assessments, goals set, goals reached and customers' satisfaction throughout the project period. SRHC will regularly receive progress reports. NC-FH AAA will also be completing the patient activation measure (PAM) at the first visit and at 30 days to track customer changes. In addition, SRHC will evaluate admissions and re-admissions following the customer's participation. The frequency of patients admitted with traumatic falls injuries to SRHC and occurring in the area will be monitored via the internal and statewide trauma data registry.