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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
CARILION MEDICAL CENTER

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
PO BOX 12385

City or town, state or province, country, and ZIP or foreign postal code
ROANOKE, VA 240252385

D Employer identification number
54-0506332

E Telephone number
(540) 224-5112

G Gross receipts $ 1,827,531,527

F Name and address of principal officer
Nancy Howell Agee
PO BOX 12385
ROANOKE,VA 240252385

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 carilionclinic org

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

L Year of formation 1899

M State of legal domicile VA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
See Schedule O Carilion Medical Center, comprised of Carilion Roanoke Memorial Hospital and Carilion Roanoke Community Hospital, is committed to a common purpose of better patient care, better community health, and lower cost One of the largest hospitals in Virginia, Carilion Roanoke Memorial Hospital is a 703-bed hospital and additional 60-bed Neonatal Intensive Care Unit The Medical Center provides Level 1 Trauma care, medical residency and fellowship programs, and advanced specialty 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**	15
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	7
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	7,936
6	Total number of volunteers (estimate if necessary)	**6**	538
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	-27,105
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-27,105

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	8,251,503	5,512,909
	9 Program service revenue (Part VIII, line 2g)	1,006,170,318	1,075,207,539
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	35,907,354	35,677,479
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	24,992,274	25,082,891
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,075,321,449	1,141,480,818
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	565,382	615,745
	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)	486,483,508	509,615,920
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶345,084		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	513,804,035	534,507,325
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	1,000,852,925	1,044,738,990
	19 Revenue less expenses Subtract line 18 from line 12	74,468,524	96,741,828

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	1,065,046,581	1,170,440,385
	21 Total liabilities (Part X, line 26)	636,793,452	747,300,084
	22 Net assets or fund balances Subtract line 21 from line 20	428,253,129	423,140,301

Part II Signature Block

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

Sign Here

▶ Signature of officer — Date: 2015-08-15

▶ Donald Halliwill Chief Financial Officer
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no	

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

See Schedule O Carilion Medical Center, that includes Carilion Roanoke Memorial Hospital and Carilion Roanoke Community Hospital, is part of Carilion Clinic, a not-for-profit healthcare organization serving one million people in Virginia through hospitals, outpatient specialty centers and advanced primary care practices Led by multi-specialty physician teams with a shared philosophy that puts the patient first, Carilion is committed to improving health outcomes for every patient while advancing the quality of care through medical education and research

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 $ 927,175,718 including grants of $ 615,745) (Revenue $ 1,095,879,148)

See Schedule O Carilion Medical Center exists to serve the health care needs of its community and region, regardless of patient ability to pay CMC admitted 36,472 patients and provided 186,736 days of care during the year Hospital programs include provision of nursing care, an extensive cardiac and vascular program, including cardiac surgery, implants, angioplasty and heart failure programs, neurology, neurosurgery and stroke programs, labor and delivery services (delivering 3,240 babies), the areas only neonatal intensive care unit, inpatient and outpatient psychiatric services, a comprehensive rehabilitation unit, extensive outpatient and inpatient surgical and endoscopic services, oncology services, geriatric services, and diagnostic imaging services including CT, MRI, PET, and mammography Housing a childrens specialty wing, CMC provides specialists in pediatric neurosurgery, cardiology, oncology, gastroenterology, pulmonology, and child development, among others CMC is a Level I trauma center, providing full trauma services to the region CMC provides a number of services targeting the specific health needs of the area, including diabetes management, home health and hospice, physical, speech, and occupational therapy programs, and cardiac and respiratory rehab CMC also provides an emergency department with 24-hour care, emergency transportation, a pediatric department, and chest pain and stroke protocol programs With 80,501 visits, CMCs emergency services are a critical component of the health safety net in its service area, acting as a key health provider for a significant number of uninsured patients, who comprise 21% percent of ED visits CMCs urgent care centers also provide access points for cost effective care at an appropriate level CMC employs a number of specialty physicians to ensure an effective, integrated approach to serving its patients, including pulmonologists, oncologists, obstetricians, orthopedic surgeons, cardiologists, neurosurgeons, general surgeons, and psychiatrists As a teaching hospital with over 350 full-time faculty members, CMC hosts residency programs in family medicine, internal medicines, obstetrics and gynecology, psychiatry, general surgery, neurosurgery In addition, the Jefferson College of Health Sciences, a division of CMC, offers nursing, physician assistant, occupational therapy, and other high-need programs CMC also supports community screenings and education on chronic disease prevention and management, sponsoring 884 events touching over 54,954 people CMC supports a cancer registry program, and participates in a number of other research projects In furtherance of its mission, CMC provides extensive uncompensated care Stated at cost, charity, and charity-eligible bad debt for the year exceeded $49 4 million

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

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

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ 927,175,718

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**	Yes	
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**	Yes	
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**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	0		
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	7,936		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a		Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

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

Section A. Governing Body and Management

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

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

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	**10a**		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	**10b**		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	**11a**	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	**12a**	Yes	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	**12b**	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	**12c**	Yes	
13	Did the organization have a written whistleblower policy?	**13**	Yes	
14	Did the organization have a written document retention and destruction policy?	**14**	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	**15a**	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**	Yes	

Section C. Disclosure

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

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

▶ The Corporation Attn J Wright 213 S Jefferson St
Roanoke, VA 24011 (540) 224-5112

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			

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			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								9,360,448	7,513,861	988,878

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 ▶ 665

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
Solstas Lab Partners Group LLC PO Box 751337 Charlotte NC 282751337	Laboratory Services	28,176,099
Siemens Medical Solutions USA Inc 51 Valley Stream Parkway Malvern PA 19355	Equipment Maintenance	3,842,595
Foodservice Partners of Virginia 2823 Franklin Road - Building B Roanoke VA 24014	Food Services	2,060,340
Anesthesiology Consultants of Virginia PO Box 13306 Roanoke VA 240323306	Anesthesiology Services	1,534,040
GJ Hopkin Inc 714 5th St NE Roanoke VA 24016	Construction Services	1,442,200

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 ▶ 107

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 563,967				
	b	Membership dues	1b				
	c	Fundraising events	1c 115,650				
	d	Related organizations	1d 22,380				
	e	Government grants (contributions)	1e 4,438,891				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f 372,021				
	g	Noncash contributions included in lines 1a-1f $	37,429				
	h	**Total.** Add lines 1a-1f		5,512,909			
Program Service Revenue			Business Code				
	2a	Net Patient Revenue	900099	1,039,874,195	1,039,874,195		
	b	College Tuition/Other	900099	24,533,043	24,533,043		
	c	Program-related Investments	900099	9,133,074	9,133,074	0	
	d	Clinical Research	900099	1,062,695	1,062,695		
	e	Other Health Eductaion	900099	604,532	604,532		
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		1,075,207,539			
	3	Investment income (including dividends, interest, and other similar amounts)		7,308,614		-27,105	7,335,719
	4	Income from investment of tax-exempt bond proceeds		67			67
	5	Royalties					
			(i) Real / (ii) Personal				
	6a	Gross rents	1,500,184 /				
	b	Less rental expenses	0 /				
	c	Rental income or (loss)	1,500,184 /				
	d	Net rental income or (loss)		1,500,184			1,500,184
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	714,161,343 / 188,895				
	b	Less cost or other basis and sales expenses	685,874,193 / 107,247				
	c	Gain or (loss)	28,287,150 / 81,648				
	d	Net gain or (loss)		28,368,798			28,368,798
Other Revenue	8a	Gross income from fundraising events (not including $ 115,650 of contributions reported on line 1c) See Part IV, line 18	a 44,869				
	b	Less direct expenses	b 60,104				
	c	Net income or (loss) from fundraising events		-15,235			-15,235
	9a	Gross income from gaming activities See Part IV, line 19	a 10,000				
	b	Less direct expenses	b 9,165				
	c	Net income or (loss) from gaming activities		835			835
	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	Other Revenues	900099	9,060,120	9,060,120		
	b	Other Affiliate Income	900099	8,775,693	8,775,693		
	c	Cafeteria & Vending Income	900099	2,925,498			2,925,498
	d	All other revenue		2,835,796	2,835,796		
	e	**Total.** Add lines 11a–11d		23,597,107			
	12	**Total revenue.** See Instructions		1,141,480,818	1,095,879,148	-27,105	40,115,866

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	265,920	265,920		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	349,825	349,825		
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	2,740,315	2,740,315		
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	429,620,236	429,274,796	161,093	184,347
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	24,656,651	24,656,651		
9 Other employee benefits	25,404,972	25,304,890	67,888	32,194
10 Payroll taxes	27,193,746	27,193,746		
11 Fees for services (non-employees)				
a Management	109,877,300		109,877,300	
b Legal	36,185		36,185	
c Accounting	26,381		26,381	
d Lobbying	65,458	65,458		
e Professional fundraising services See Part IV, line 17				
f Investment management fees	565,517		565,517	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	82,868,112	80,978,656	1,888,465	991
12 Advertising and promotion	266,790	243,498		23,292
13 Office expenses	15,893,878	15,676,326	204,724	12,828
14 Information technology	1,908,456	1,908,456		
15 Royalties . .				
16 Occupancy	22,841,577	22,727,292	101,461	12,824
17 Travel	2,496,808	2,478,143	12,928	5,737
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	15,944,155	15,944,155		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	40,414,448	40,414,448		
23 Insurance	13,271,016	9,619,177	3,651,839	
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	137,798,855	137,800,492	-1,637	
b Bad Debt	79,707,661	79,707,661		
c College Expense	4,968,950	4,968,950		
d Dues & Subscriptions	2,136,473	1,729,983	342,509	63,981
e All other expenses	3,419,305	3,126,880	283,535	8,890
25 **Total functional expenses.** Add lines 1 through 24e	1,044,738,990	927,175,718	117,218,188	345,084
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		22,624	1	23,061
	2	Savings and temporary cash investments		4,541,445	2	4,826,236
	3	Pledges and grants receivable, net		1,161,316	3	1,619,356
	4	Accounts receivable, net		148,860,087	4	155,452,822
	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		416,942	7	6,829,241
	8	Inventories for sale or use		5,180,565	8	6,051,740
	9	Prepaid expenses and deferred charges		6,465,957	9	5,098,696
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 982,353,984			
	b	Less accumulated depreciation	10b 727,197,384	249,218,793	10c	255,156,600
	11	Investments—publicly traded securities		615,949,861	11	681,489,415
	12	Investments—other securities See Part IV, line 11		26,213,104	12	33,074,888
	13	Investments—program-related See Part IV, line 11		1,000	13	1,000
	14	Intangible assets		60,947	14	65,123
	15	Other assets See Part IV, line 11		6,953,940	15	20,752,207
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		1,065,046,581	16	1,170,440,385
Liabilities	17	Accounts payable and accrued expenses		119,482,454	17	139,926,168
	18	Grants payable			18	
	19	Deferred revenue		6,063,277	19	6,178,361
	20	Tax-exempt bond liabilities		376,424,317	20	375,034,053
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties		50,000	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		134,773,404	25	226,161,502
	26	**Total liabilities.** Add lines 17 through 25		636,793,452	26	747,300,084
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		408,293,768	27	402,444,251
	28	Temporarily restricted net assets		8,083,452	28	8,820,141
	29	Permanently restricted net assets		11,875,909	29	11,875,909
		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		428,253,129	33	423,140,301
	34	Total liabilities and net assets/fund balances		1,065,046,581	34	1,170,440,385

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	1,141,480,818
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,044,738,990
3	Revenue less expenses Subtract line 2 from line 1	3	96,741,828
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	428,253,129
5	Net unrealized gains (losses) on investments	5	10,367,308
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	-112,221,964
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	423,140,301

Part XII Financial Statements and Reporting

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

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

Additional Data

Software ID:
Software Version:
EIN: 54-0506332
Name: CARILION MEDICAL CENTER

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(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			
John H Burton MD Director/Chair/VP Medical Affair	50 00 0 00	X						445,950	0	22,270
Katherine A Elam Director	2 00 0 00	X						0	0	0
George B Cartledge III Director	2 00 0 00	X						0	0	0
Elizabeth Doughty Director	2 00 0 00	X						0	0	0
Cynda A Johnson MD Director	2 00 48 00	X						0	542,688	37,917
Stephen A Musselwhite Director	2 00 2 50	X						0	0	0
Clifford A Nottingham MD Director	2 00 48 00	X						0	334,473	10,322
Patrice M Weiss MD Director/EVP/Chair	50 00 0 00	X						487,592	0	14,812
Ralph E Whatley MD Director/Chair/SVP/Chief Quality	49 50 50	X						510,887	0	33,426
Damon Williams Director	2 00 0 00	X						0	0	0
Victor Iannello ScD Director/Chair	4 00 2 00	X		X				0	9,141	0
R Steve Blanks Director/Vice Chair	3 00 2 40	X		X				0	8,700	0
Nancy Howell Agee Director/President/CEO	3 00 47 00	X		X				0	1,129,437	750,057
Steve C Arner Director/President/SVP/COO	24 40 25 60	X		X				172,770	183,736	1,542
James S Cain MD Diretor/Chief of Medical Staff	2 00 0 00	X		X				0	0	0
Tracey W Criss MD Director/Chief of Medical Staff	50 00 0 00	X		X				214,184	0	-13,466
Thomas D Denberg MD PhD EVP/Chief Strategy Officer	1 10 48 90			X				0	272,891	13,937
Briggs W Andrews SVP/General Counsel/Secretary	1 50 48 50			X				0	404,300	46,042
G Robert Vaughan Jr SVP/Treasurer	20 49 80			X				0	255,568	-13,062
R Wayne Gandee MD EVP/Chief Medical Officer	48 40 1 60			X				733,197	0	29,321
Maxine M Lee MD VP of Medical Affairs	48 80 1 20			X				319,188	0	17,991
Donald B Halliwill EVP/CFO/Assistant Treasurer	1 50 48 50			X				0	343,160	-13,889
David S Hagadorn Assistant Treasurer	10 49 90			X				0	118,987	-5,323
Lauren J Chen Assistant Secretary	8 00 42 00			X				0	68,855	7,219
Rachel Mabe Assistant Secretary	50 39 50			X				0	69,609	89

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(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			
Jonathan Carmouche MD Physician	50 00 0 00					X		1,345,283	0	18,392
Cay Mierisch MD Physician	50 00 0 00					X		1,028,557	0	9,067
Joseph Moskal MD Physician	50 00 0 00					X		1,221,200	0	36,609
Nicholas Qandah MD Physician	50 00 0 00					X		1,256,014	0	19,533
Gary Simonds MD Physician	50 00 0 00					X		1,281,377	0	17,673
Donald E Lorton Former EVP	0 00 50 00						X	0	3,772,316	-29,521
Mark Werner Former EVP	0 00 0 00						X	344,249	0	-22,080

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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
CARILION MEDICAL CENTER

Employer identification number
54-0506332

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**
CARILION MEDICAL CENTER	54-0506332

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		65,458
j	Total Add lines 1c through 1i			65,458
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	Portion of dues paid to American Hospital Association, Virginia Hospital and Healthcare Association and Association of American Medical Colleges spent on lobbying

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
CARILION MEDICAL CENTER

Employer identification number
54-0506332

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

		(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	15,977,885	14,955,835	14,218,996	14,308,087	14,015,347
b	Contributions					
c	Net investment earnings, gains, and losses	1,448,538	1,798,131	1,514,015	540,534	1,036,467
d	Grants or scholarships					
e	Other expenditures for facilities and programs	-898,328	-776,080	-777,176	-629,626	-743,727
f	Administrative expenses					
g	End of year balance	16,528,095	15,977,886	14,955,835	14,218,995	14,308,087

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

- a Board designated or quasi-endowment ▶ 28 150 %
- b Permanent endowment ▶ 71 850 %
- c Temporarily restricted endowment ▶ 0 %

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		3,616,529		3,616,529
b Buildings		435,729,291	272,383,708	163,345,583
c Leasehold improvements		2,745,643	2,495,439	250,203
d Equipment		528,936,529	446,123,995	82,812,534
e Other		11,325,992	6,194,242	5,131,751
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				255,156,600

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	
Qualified Pension Liability	187,490,164
Unrealized Swap losses	23,286,161
Nonqualified Pension Liability	15,382,847
Other	2,330
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	226,161,502

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

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

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

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

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

Part XIII Supplemental Information

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

Return Reference	Explanation
Part V, Line 4	Income from the endowment funds are used for the following (1) Pediatric programs, both internal and external and/or pediatric equipment (2) Patient indigent care
Part X, Line 2	Carilion had no material unrecognized tax benefits and no adjustments to its consolidated financial statements were required as of and for the years ended September 30, 2014 and 2013 Carilion does not expect that unrecognized tax benefits will materially increase within the next 12 months

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
CARILION MEDICAL CENTER

Employer identification number
54-0506332

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 CMN Gala (event type)	(b) Event #2 CMN Luncheon (event type)	(c) Other events 3 (total number)	(d) Total events (add col (a) through col (c))
Revenue	1 Gross receipts	47,932	48,227	64,360	160,519
	2 Less Contributions	34,632	41,767	39,251	115,650
	3 Gross income (line 1 minus line 2)	13,300	6,460	25,109	44,869
Direct Expenses	4 Cash prizes				
	5 Noncash prizes			2,920	2,920
	6 Rent/facility costs			4,753	4,753
	7 Food and beverages	12,630	6,639	3,631	22,900
	8 Entertainment	160	100		260
	9 Other direct expenses	13,524	13,189	2,558	29,271
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(60,104)
	11 Net income summary Subtract line 10 from line 3, column (d) ▶				-15,235

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

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493227006255

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
CARILION MEDICAL CENTER

Employer identification number
54-0506332

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	3a	Yes	
	☐ 100% ☐ 150% ☐ 200% ☑ Other 13300 0000000000 %			
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	3b	Yes	
	☐ 200% ☐ 250% ☐ 300% ☐ 350% ☑ 400% ☐ Other _____ %			
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)			43,550,143	0	43,550,143	4 510 %
b Medicaid (from Worksheet 3, column a)			90,439,313	84,559,967	5,879,346	0 610 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			133,989,456	84,559,967	49,429,489	5 120 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	672	29,698	3,522,444	1,135,130	2,387,314	0 250 %
f Health professions education (from Worksheet 5)	13	881	30,176,216	9,410,735	20,765,481	2 150 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)	2	3,306	934,758		934,758	0 100 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)	33	4,986	357,031		357,031	0 040 %
j **Total.** Other Benefits	720	38,871	34,990,449	10,545,865	24,444,584	2 540 %
k **Total.** Add lines 7d and 7j	720	38,871	168,979,905	95,105,832	73,874,073	7 660 %

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing	1	105	10,000		10,000	0 %
2	Economic development	7	9,760	65,174		65,174	0 010 %
3	Community support	49	1,960	109,002		109,002	0 010 %
4	Environmental improvements	2	0	23,000		23,000	0 %
5	Leadership development and training for community members						
6	Coalition building	96	2,255	16,636		16,636	0 %
7	Community health improvement advocacy	4	2,000	15,102		15,102	0 %
8	Workforce development	5	3	87,083		87,083	0 010 %
9	Other						
10	**Total**	164	16,083	325,997		325,997	0 030 %

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			No
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	79,707,661		
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	17,425,158		
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	230,844,659
6	Enter Medicare allowable costs of care relating to payments on line 5	6	249,143,112
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-18,298,453
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	1 Roanoke Ambulatory Surgery Center LLC	Ambulatory surgery	48 310 %		49 030 %
2	2 Southwest Virginia Health Properties LLC	Real estate	48 310 %		49 030 %
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)

Facility Group A

Name of hospital facility or facility reporting group

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

			Yes	No
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 11			
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) See Section C, Line 5d			
b	☑ Other website (list url) www carilionclinic org/about/chna			
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 133 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Residency			
i ☑ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☑ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**	Yes	
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**	Yes	
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**	Yes	
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? **91**

	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 3c	Asset test is used to determine free/discounted care Equity value in real property is required for review/outcome

Form and Line Reference	Explanation
Part I, Line 6a	Information on community benefit is reported annually through a consolidated report prepared by Carilion Clinic. Printed copies of this report are distributed throughout communities served by hospitals affiliated with Carilion Clinic. Additionally, the community benefit report is available on Carilion Clinic's website

Form and Line Reference	Explanation
Part I, Line 7	Part I, Line 7 - Ratio of cost-to-charges was used to calculate the expense Part I, Line 7 (f) calculation - Bad debt expense subtracted from total expenses for the calculation is $ 79,707,661 Total bad debt expense on Form 990, Part IX includes $64,299 of non-patient ba d debt Part I, Line 7e - This line is reported at actual cost Carilion Medical Center pro vides education to the public about health risks and steps that can be taken to improve he alth Events include regularly scheduled health screenings such as blood pressure, blood g lucose and cholesterol as well as seasonal stroke, vascular, prostate and facial sun damag e detection screenings Carilion Medical Center's community health education department se rves as host of the local chapter of the National Safe Kids Coalition and provides educati on on injury prevention to the community and other providers In addition, Carilion Medica l Center's Safe Kids Coalition coordinator provided training, through a program offered by the Virginia Department of Health on proper car seat installation for other health and sa fety providers free of charge Children learn about healthcare careers through Caring Care ers, an educational program for school aged children provided onsite at local schools and community centers Additional health improvement services include non-billed clinical serv ices for women such as mammograms and cervical cancer screenings, medical care for HIV/AID s patients, substance abuse counseling for juveniles, and physician coverage at the Bradle y Free Clinic Additional services include blood drives, assistance with enrollment in pub lic medical programs such as Medicaid and interpreter services for non-English speaking pa tients Community benefit operations includes expenses related to support of Healthy Roano ke Valley, a collaboration of health and human service agencies developing initiatives to address prioritized community health needs and the cost associated with tracking community health improvement activities Part I, Line 7f - This line is reported at actual cost Car ilion Medical Center financially supports Radford University's Bachelor of Science Nursing Program and mentors nursing students within Carilion Roanoke Memorial Hospital Education is provided to non-employed health professionals such as school nurses, and staff who pro vide labor, delivery and emergency services Part I, Line 7g - n/a Part I, Line 7h - This l ine is reported at actual cost Carilion Medical Center participates in clinical research projects which includes internal review board oversight Additionally, community research is provided through a cancer registry to assist public health professionals in understandi ng and addressing the cancer burden more effectively Information obtained is used in deve lopment of programs on cancer prevention, early detection, and successful treatment and ca re Part I, Line 7i - This line is reported at actual cost Financial contributions were ma de to the ALS Association, Alzheimer's Association, American Cancer Society, American Hear t Association, American Red Cross, Arthritis Foundation, Bradley Free Clinic, Brain Injury Services, Children's Miracle Network, CHIP of Roanoke Valley, Cystic Fibrosis Foundation, Epilepsy Foundation of VA, Juvenile Diabetes Research Foundation, March of Dimes, Mental Health America, Multiple Sclerosis Society, Muscular Dystrophy Association, Planned Parent hood, Rett Syndrome Research and Susan B Komen Foundation Grant funding was provided to Child Health Investment Partnership of Roanoke Valley for operational expenses related to their early childhood home visiting program as they pair low-income children, ages birth t o kindergarten-entry, with a community health nurse and family case manager for health car e coordination, developmental education, kindergarten preparation and regular child assess ment and monitoring, Children's Trust of Roanoke Valley for their regional program that pr ovides child friendly interview room and forensic interviewer to perform interviews of chi ldren to be used by multi-disciplinary team investigating alleged child abuse cases, Rx Pa rtnership for operations of the public-private partnership that solicits free drugs in bul k from participating pharmaceutical companies and arranges for their distribution to licen sed pharmacies serving uninsured clients, Mental Health America of Roanoke Valley to incre ase access to mental health services for adults with no health insurance coverage or inade quate insurance for mental health care, New Horizons Healthcare for their Happy Healthy Co oks program with goal to impact dietary attitudes and increase knowledge among elementary and preschool children while inspiring them to have fun and be creative in their food choi ces, Local Agricultural Environment Project to double the SNAP EBT program for purchase of fresh fruit and vegetables at several local farmer's markets, Roanoke Community Garden As sociation for educational programs, and United Way

Form and Line Reference	Explanation
Part I, Line 7	of Roanoke Valley for support of Healthy Roanoke Valley In-kind support was provided to the United Way during their local fundraising campaign Additionally, Carilion Medical Center's Emergency Department replenishes medical supplies on ambulances owned by local Emergency Medical Services organizations

Form and Line Reference	Explanation
Part III, Line 2	Carilion Medical Center estimates bad debt expense by reserving a percentage of all self-pay accounts receivable by aging category, based on collection history, adjusted for expected recoveries and, if present, anticipated changes in trends The percentage used to reserve for all self-pay accounts is based on Carilion's collection history

Form and Line Reference	Explanation
Part III, Line 3	The estimated amount of bad debt expense attributable to patients eligible for charity care was determined as the amount of unprocessed financial assistance at September 30, 2014 that was subsequently granted to patients

Form and Line Reference	Explanation
Part II,	1 Financial support was provided to Rebuilding Roanoke Together for the healthy housing initiative to ensure safe, healthy environments in rehabilitated homes in lower income neighborhoods 2 Support was provided to the Vinton Chamber of Commerce, Roanoke Blacksburg Innovation, Salem Roanoke County Chamber of Commerce, Roanoke Regional Chamber of Commerce, New Century Technology Council, and Virginia Chamber of Commerce to strengthen the social and economic environment of the community Grant funding was provided to the Greater Roanoke Transit Company for the Star Line Trolley 3 Support was provided to the American Heart Association, Rescue Mission Back to School Blast, Bethany Hall, Big Brothers Big Sisters, Boys and Girls Club, Carpenters Foundation, Commonwealth Catholic Charities, Depaul Community Resources, Down Syndrome Association, Fear 2 Freedom, Feeding America Southwest Virginia, Junior Achievement, Kiwanis Club, Lewis-Gale Foundation, Bradley Free Clinic, Virginia Science Festival, Rescue Mission of Roanoke Valley, Roanoke Academy of Medicine, Roanoke City Public Safety Days, Roanoke Valley Coalition on Youth, Roanoke Valley Endo of Life, Roanoke Valley Interfaith Hospitality House, Ronald McDonald House, Salvation Army, Total Action Against Poverty, Triumph Over Trauma, United Way, Virginia Association for Parks, and West End Center for Youth Grant funding was provided to Smith Mountain Lake Good Neighbors to support a summer day camp program for children in Franklin and Bedford Counties who live near or under the poverty level and the Virginia Foundation for Community Colleges for an educational attainment initiative through staffing in local high schools 4 Financial support was provided to Pathfinders for Greenways and Roanoke City Parks and Recreation 5 n/a 6 In-kind support was provided through representation on Roanoke Area Youth Substance Abuse Coalition and Roanoke Prevention Alliance, a group of concerned citizens, parents, youth, teachers, police officers, business people, judges, and other caring individuals that strive to keep the youth of the Roanoke Valley and Southwest Virginia alcohol, tobacco and drug-free, Southwest Virginia Alliance for Safe Babies, a multidisciplinary working to eliminate infant injury and deaths due to abusive head trauma and sudden infant death syndrome (SIDS), Positive Action Toward Health, promoting healthy behaviors in children, Salem Prevention Planning Team, Virginia Highway Safety Board representation, and YOVASO, a statewide youth leadership program dedicated to saving the lives of teenage drivers through educating, encouraging and empowering teenagers to be traffic safety advocates in their schools and communities 7 In-kind support was provided for distribution of a newsletter on behalf of adolescent and student health services and representation on several state medical professional boards 8 Carilion Medical Center partnered with Goodwill Industries of the Roanoke Valley, the Department of Rehabilitative Services, Blue Ridge Behavioral Health, Blue Ridge Independent Living Center and local parent representatives to offer Project SEARCH, a one year high school transition program that provides employment and educational opportunities for individuals with significant disabilities and assist with finding long term employment in skilled positions for its participants Additional expenses include recruitment of providers to underserved individuals in the Roanoke Valley

Form and Line Reference	Explanation
Part III, Line 4	Accounts receivable are reduced by an allowance for amounts that could become uncollectible in the future. Carilion estimates the allowance for doubtful accounts by reserving a percentage of all self-pay accounts receivable by aging category, based on collection history, adjusted for expected recoveries and, if present, anticipated changes in trends. The percentage used to reserve for all self-pay accounts is based on Carilion's collection history. Carilion collects substantially all of its third-party insured receivables, which include receivables from governmental agencies.

Form and Line Reference	Explanation
Part III, Line 8	Medicare allowable costs are determined from the Medicare cost report using the cost-to-charges ratio The Hospital does not consider a Medicare shortfall as a community benefit

Form and Line Reference	Explanation
Part III, Line 9b	Patients are actively screened through a "Presumptive" eligibility process before moving accounts through Extraordinary Collection Actions as defined under the 501r regulations In addition, individuals have been allowed to apply for financial assistance throughout the collection process

Form and Line Reference	Explanation
Part VI, Line 2	Carilion Medical Center partnered with community organizations to complete a community health needs assessment and develop a strategic implementation plan during fiscal year 2012 The Roanoke Community Health Needs Assessment (RCHNA) focused on high levels of community engagement involving health and human services leaders, stakeholders, and providers, the target population, and the community as a whole A Community Health Assessment Team (CHAT) consisting of project management staff and representatives from area health and human services, faith-based communities, and schools led the year-long initiative Included were representatives from Bethany Hall, Inc , Blue Ridge Behavioral Health, Bradley Free Clinic, CHIP of the Roanoke Valley, CommunityWorks, Council of Community Services, Family Service of the Roanoke Valley, Jefferson College of Health Sciences, LOA Local Office on Aging, Mental Health America, New Horizons Healthcare, Loudon Christian Church, Planned Parenthood Health Systems, Inc , Presbyterian Community Center, Project Access, Rescue Mission Ministries- Fralin Clinic, Roanoke City Health Department, Roanoke City Public Schools, Roanoke Department of Social Services, Roanoke Redevelopment & Housing Authority, Salem Veterans Administration Medical Center and the United Way of the Roanoke Valley The majority of CHAT members serve the low-income, uninsured, underserved and other vulnerable populations in the Roanoke Valley Additional support for this initiative was provided through a Federally Qualified Health Center Planning Grant awarded to Carilion Medical Center Primary data was obtained through surveys and focus groups and analyzed with information acquired through secondary data sources

Form and Line Reference	Explanation
Part VI, Line 3	The organization informs and educates patients and persons who may be billed for patient care through an in-house eligibility assistance program (EAS) and will evaluate according to our organization's financial assistance policy when patients are eligible for the program We inform the public through our Internet site, EAS Representatives and other Financial Representatives (Customer Service/Patient Access), and provide information regarding the programs above when patients ask In addition, our statements comment regarding financial assistance availability

Form and Line Reference	Explanation
Part VI, Line 4	Carilion Medical Center, comprised of two hospitals, Carilion Roanoke Memorial Hospital and Carilion Roanoke Community Hospital, is located in Roanoke, Virginia Roanoke is a 1,186 square mile valley located in southwest Virginia near the Blue Ridge and Allegheny Mountains Carilion Medical Center primarily serves approximately 256,000 residents of Roanoke City and County, Salem, Botetourt County, Craig County and the Town of Vinton More than 16% of adults under age 64 and 4% of children who live in the Roanoke Valley are uninsured Additionally, 13% of residents live below the poverty level and 13% of adults 25 years of age or older did not graduate from high school 17% Roanoke Valley residents are 65 years of age or older

Form and Line Reference	Explanation
Part VI, Line 5	Carilion Medical Center includes Carilion Roanoke Memorial Hospital, one of the largest hospitals in the state of Virginia with 703 beds and an additional 60-bed Neonatal Intensive Care Unit and pediatric emergency department With a Level 1 Trauma Center and children's hospital, complete with pediatric emergency room, Carilion Roanoke Memorial Hospital treats residents throughout southwest Virginia In addition to offering high-tech services, the hospital is also home to 11 residency programs and 12 fellowship programs Carilion Medical Center serves all patients regardless of their ability to pay The Hospital's governing Board is elected annually and the majority of members are neither employees nor contractors of the Hospital Medical staff privileges are extended to qualified providers In addition to clinical care, the hospital works to achieve its mission through the education of health professionals and the community Any surplus funds are reinvested in new technology, clinical initiatives, education and charitable efforts This includes providing free, discounted and subsidized care as well as critical medical services that operate at a loss

Form and Line Reference	Explanation
Part VI, Line 6	Carilion Medical Center is wholly owned by Carilion Clinic, a not-for-profit healthcare organization based in Roanoke, Virginia Through a comprehensive network of hospitals, primary and specialty physician practices and other complementary services, quality care is provided close to home for more than 870,000 Virginians With an enduring commitment to the health of the region, care is advanced through medical education and research, assistance is provided to help the community to stay healthy, and inspiration for the region to grow stronger Carilion Clinic employees 650 physicians representing more than 70 specialties who provide care at 220 practice sites To advance education of health professionals, Jefferson College of Health Sciences, within Carilion Medical Center, is a professional health sciences college offering associate, baccalaureate, and masters degree programs During fiscal year 2014, 876 undergraduate and 255 graduate students were enrolled The Virginia Tech Carilion School of Medicine enrolled 167 students and there were 649 appointed faculty members during fiscal year 2014 Carilion Clinic and Virginia Tech Carilion School of Medicine provide graduate medical education to 250 medical residents and fellows There are 12 accredited residency programs (Dermatology, General Hospital Dentistry, Emergency Medicine, Family Medicine, Internal Medicine, Neurosurgery, Obstetrics/Gynecology, Pediatrics, Plastic Surgery, Podiatry, Psychiatry and Surgery) and 11 accredited fellowship programs (Addiction Psychology, Adult Joint Reconstruction, Cardiovascular Disease, Child and Adolescent Psychiatry, Gastroenterology, Geriatric Medicine, Geriatric Psychiatry, Hospice and Palliative Care, Infectious Disease, Interventional Cardiology, and Pulmonary Critical Care) Advanced Clinical Technology and Programs include CyberKnife Stereotactic Radiosurgery, daVinci Robotic Surgical System, 60 bed neonatal intensive care unit, hybrid operating room, Carilion Clinic Children's Hospital, Cancer Center, Spine Center, and comprehensive cardiothoracic, vascular and orthopedic surgery programs Carilion Roanoke Memorial Hospital serves as a Level One Trauma Center with EMS services that include three EMS helicopters, four first-response vehicles and 50 Advanced Life Support Ambulances An additional benefit to the community is Carilion Clinic's economic contribution to the region As the area's largest employer, jobs are provided for more than 11,700 residents of the region Research conducted at the Virginia Tech Carilion Research Institute (VTCRI) creates a bridge between basic science research at Virginia Tech and clinical expertise at Carilion Clinic and increases translational research opportunities for both partners Research conducted by scientists at the institute is aimed at understanding the molecular basis for health and disease, and development of diagnostic tools, treatments, and therapies that will contribute to the prevention and solution of existing and emerging problems in contemporary medicine Research areas of emphasis which presently align with areas of strength and active research at Virginia Tech include inflammation, infectious disease, neuroscience, and cardiovascular science and cardiology

Additional Data

Software ID:
Software Version:
EIN: 54-0506332
Name: CARILION MEDICAL 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
Part V, Section B	Facility Reporting Group A

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
Facility Reporting Group A consists of	- Facility 1 Carilion Medical Center- DBA CRMH, - Facility 2 Carilion Medical Center- DBA CRCH

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
Facility 1 -- Carilion Medical Center dba CRMH Part V, Section B, line 3	The Roanoke Community Health Needs Assessment (RCHNA) focused on high levels of community engagement involving health and human services leaders, stakeholders, and providers, the target population, and the community as a whole A Community Health Assessment Team (CHAT) consisting of project management staff and representatives from area health and human services, faith-based communities, and schools led the year-long initiative The majority of CHAT members serve the low-income, uninsured, underserved and other vulnerable populations in the Roanoke Valley Beginning in December 2011, the CHAT met monthly to oversee the RCHNA Please see the list of organizations that served on the CHAT below Bethany Hall, Inc , Blue Ridge Behavioral Health, Bradley Free Clinic, CHIP of the Roanoke Valley, CommunityWorks, Council of Community Services, Family Service of the Roanoke Valley, Jefferson College of Health Sciences, LOA Local Office on Aging, Mental Health America, New Horizons Healthcare, Loudon Christian Church, Planned Parenthood Health Systems, Inc , Presbyterian Community Center, Project Access, Rescue Mission Ministries- Fralin Clinic, Roanoke City Health Department, Roanoke City Public Schools, Roanoke Department of Social Services, Roanoke Redevelopment & Housing Authority, Salem Veterans Administration Medical Center and the United Way of the Roanoke Valley

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
Facility 1 -- Carilion Medical Center dba CRMH Part V, Section B, line 5d	Line 5a www carilionclinic org/hospitals/carilion-roanoke-memorial-hospital

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
Facility 1 -- Carilion Medical Center dba CRMH Part V, Section B, line 6i	In tax year 2013, the hospital provided grant funding to several organizations that address need aligned with the 2012 CHNA The hospital provided $25,000 for the United Way of Roanoke Valley to support Healthy Roanoke Valley (HRV), a coalition of over 50 health and human service agencies that address the needs identified in the 2012 Roanoke CHNA Carilion funded Mental Health America of the Roanoke Valley $32,000 operational support of the Roanoke Valley Mental Health Care Collaborative to cover rising costs of medications, transcription and client transportation for the underserved that suffer from mental illness Carilion provided $20,000 in funding to Happy Healthy Cooks program to encourage healthy eating in children by hands on demonstrations in Roanoke City Schools and Head Start programs Carilion funded Leap for Local Foods $10,000 to support the double the value SNAP-EBT program at local community farmers markets Finally, Carilion funded the Roanoke Community Garden Association $10,000 for its Seed2Feed educational program expansion providing education to Roanoke area youth and adults about basic gardening practices, how to grow organic food, and the impacts these make on nutrition and wellness

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
Facility 1 -- Carilion Medical Center dba CRMH Part V, Section B, line 7	Carilion Medical Center (CMC) is not addressing barriers to transportation and language barriers in this implementation strategy While these issues will be monitored, they have been determined to not be as pressing as the identified priority needs Additionally, Carilion Medical Center provides funding to The Greater Roanoke Transit Company for a free trolley service for the community that operates in a continuous loop with stops that include Carilion Medical Center and Downtown Roanoke with goals of reducing the carbon footprint, transporting patients and staff, and enhancing the local economy by providing easier access to downtown Also, vouchers for taxi and bus service are available for patients who are unable to afford transportation Carilion Medical Center provides interpretive services for non-English speaking patients During fiscal year 2013 more than $1,000,000 was expensed for these services at no cost to the patient

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
Facility 1 -- Carilion Medical Center dba CRMH Part V, Section B, line 12i	Liquid assets and equity in real property

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
Facility 1 -- Carilion Medical Center dba CRMH Part V, Section B, line 20d	FAP eligible uninsured patients are charged gross charges less an uninsured discount FAP eligible insured patients are charged under terms of their insurance contract (never gross charges) and are also eligible for financial assistance The discount rate is based on the system's dominant negotiated commercial insurance rate

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
Facility 1 -- Carilion Medical Center dba CRMH Part V, Section B, line 21	The discount rate is based on the system's dominant negotiated commercial insurance rate

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
Facility 1 -- Carilion Medical Center dba CRMH Part V, Section B, line 22	FAP eligible uninsured patients are charged gross charges less an uninsured discount for the hospital's services Certain physician services may be stated at gross charges

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
Facility 2 -- Carilion Medical Center dba CRCH Part V, Section B, line 3	The Roanoke Community Health Needs Assessment (RCHNA) focused on high levels of community engagement involving health and human services leaders, stakeholders, and providers, the target population, and the community as a whole A Community Health Assessment Team (CHAT) consisting of project management staff and representatives from area health and human services, faith-based communities, and schools led the year-long initiative The majority of CHAT members serve the low-income, uninsured, underserved and other vulnerable populations in the Roanoke Valley Beginning in December 2011, the CHAT met monthly to oversee the RCHNA Please see the list of organizations that served on the CHAT below Bethany Hall, Inc , Blue Ridge Behavioral Health, Bradley Free Clinic, CHIP of the Roanoke Valley, CommunityWorks, Council of Community Services, Family Service of the Roanoke Valley, Jefferson College of Health Sciences, LOA Local Office on Aging, Mental Health America, New Horizons Healthcare, Loudon Christian Church, Planned Parenthood Health Systems, Inc , Presbyterian Community Center, Project Access, Rescue Mission Ministries- Fralin Clinic, Roanoke City Health Department, Roanoke City Public Schools, Roanoke Department of Social Services, Roanoke Redevelopment & Housing Authority, Salem Veterans Administration Medical Center and the United Way of the Roanoke Valley

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
Facility 2 -- Carilion Medical Center dba CRCH Part V, Section B, line 5d	Line 5a www carilionclinic org/hospitals/carilion-roanoke-memorial-hospital

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
Facility 2 -- Carilion Medical Center dba CRCH Part V, Section B, line 6i	In tax year 2013, the hospital provided grant funding to several organizations that address need aligned with the 2012 CHNA The hospital provided $25,000 for the United Way of Roanoke Valley to support Healthy Roanoke Valley (HRV), a coalition of over 50 health and human service agencies that address the needs identified in the 2012 Roanoke CHNA Carilion funded Mental Health America of the Roanoke Valley $32,000 operational support of the Roanoke Valley Mental Health Care Collaborative to cover rising costs of medications, transcription and client transportation for the underserved that suffer from mental illness Carilion provided $20,000 in funding to Happy Healthy Cooks program to encourage healthy eating in children by hands on demonstrations in Roanoke City Schools and Head Start programs Carilion funded Leap for Local Foods $10,000 to support the double the value SNAP-EBT program at local community farmers markets Finally, Carilion funded the Roanoke Community Garden Association $10,000 for its Seed2Feed educational program expansion providing education to Roanoke area youth and adults about basic gardening practices, how to grow organic food, and the impacts these make on nutrition and wellness

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
Facility 2 -- Carilion Medical Center dba CRCH Part V, Section B, line 7	Carilion Medical Center (CMC) is not addressing barriers to transportation and language barriers in this implementation strategy While these issues will be monitored, they have been determined to not be as pressing as the identified priority needs Additionally, Carilion Medical Center provides funding to The Greater Roanoke Transit Company for a free trolley service for the community that operates in a continuous loop with stops that include Carilion Medical Center and Downtown Roanoke with goals of reducing the carbon footprint, transporting patients and staff, and enhancing the local economy by providing easier access to downtown Also, vouchers for taxi and bus service are available for patients who are unable to afford transportation Carilion Medical Center provides interpretive services for non-English speaking patients During fiscal year 2013 more than $1,000,000 was expensed for these services at no cost to the patient

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
Facility 2 -- Carilion Medical Center dba CRCH Part V, Section B, line 12i	Liquid assets and equity in real property

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
Facility 2 -- Carilion Medical Center dba CRCH Part V, Section B, line 20d	FAP eligible uninsured patients are charged gross charges less an uninsured discount FAP eligible insured patients are charged under terms of their insurance contract (never gross charges) and are also eligible for financial assistance The discount rate is based on the system's dominant negotiated commercial insurance rate

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
Facility 2 -- Carilion Medical Center dba CRCH Part V, Section B, line 21	The discount rate is based on the system's dominant negotiated commercial insurance rate

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
Facility 2 -- Carilion Medical Center dba CRCH Part V, Section B, line 22	FAP eligible uninsured patients are charged gross charges less an uninsured discount for the hospital's services Certain physician services may be stated at gross charges

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)
DBA - Carilion Roanoke Memorial Rehab 2017 South Jefferson Street Roanoke, VA 24153	Psych Unit, Outpatient Rehabilitation
Carilion Clinic Orthopaedics 4064 Postal Drive SW Roanoke, VA 24018	Psych Unit, Outpatient Rehabilitation
Carilion Clinic - Bone and Joint Center 3 Riverside Circle 1st Floor Roanoke, VA 24016	Psych Unit, Outpatient Rehabilitation
CSC - Brambleton 3707 Brambleton Avenue Roanoke, VA 24018	Psych Unit, Outpatient Rehabilitation
Carilion Clinic Orthopaedics 3 Riverside Circle Roanoke, VA 24016	Psych Unit, Outpatient Rehabilitation
Carilion Clinic Cardiology 127 McClanahan Street SW Suite 300 Roanoke, VA 24014	Psych Unit, Outpatient Rehabilitation
Carilion Clinic Cardiology 2001 Crystal Spring Avenue Suite 203 Roanoke, VA 24014	Psych Unit, Outpatient Rehabilitation
CNRV Emergency Services 2900 Lamb Circle Christiansburg, VA 24073	Psych Unit, Outpatient Rehabilitation
Carilion Breast Care Center 102 Highland Ave Ste 202 Roanoke, VA 24014	Psych Unit, Outpatient Rehabilitation
CSC - Roanoke 213 McClanahan Suite 404 Roanoke, VA 24014	Psych Unit, Outpatient Rehabilitation
Carilion Cardiothoracic Surgery 2001 Crystal Spring Avenue Suite 201 Roanoke, VA 24014	Psych Unit, Outpatient Rehabilitation
Carilion Obstetrics and Gynecology Clini 902 South Jefferson Street Upper Level Roanoke, VA 24016	Psych Unit, Outpatient Rehabilitation
CES - Franklin 180 Floyd Avenue Rocky Mount, VA 24017	Psych Unit, Outpatient Rehabilitation
Carilion Clinic Neurology 3 Riverside Circle Roanoke, VA 24016	Psych Unit, Outpatient Rehabilitation
Carilion Clinic Internal Medicine 3 Riverside Circle Roanoke, VA 24016	Psych Unit, Outpatient Rehabilitation

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)
Carilion Clinic Otolaryngology 1 Riverside Circle Suite 300M Roanoke, VA 24016	Psych Unit, Outpatient Rehabilitation
CES - Bedford 1613 Oakwood St Bedford, VA 24153	Psych Unit, Outpatient Rehabilitation
CES - Giles 1611 Wenonah Avenue Pearisburg, VA 24134	Psych Unit, Outpatient Rehabilitation
Roanoke Athletic Club 4508 Starkey Road Roanoke, VA 24018	Psych Unit, Outpatient Rehabilitation
Carilion Dermatology 1 Riverside Circle Suite 300M Roanoke, VA 24016	Psych Unit, Outpatient Rehabilitation
Carilion Pediatric Clinic 1030 S Jefferson Street Suite 106 Roanoke, VA 24016	Psych Unit, Outpatient Rehabilitation
CFM Roanoke Salem 1314 Peters Creek Road Roanoke, VA 24017	Psych Unit, Outpatient Rehabilitation
Carilion Clinic Obstetrics and Gynecolog 2900 Lamb Circle Suite 202 Christiansburg, VA 24073	Psych Unit, Outpatient Rehabilitation
CES - Tazewell 141 Ben Bolt Ave Tazewell, VA 24651	Psych Unit, Outpatient Rehabilitation
Brambleton Radiology Services 3707 Brambleton Avenue Roanoke, VA 24018	Psych Unit, Outpatient Rehabilitation
CFM Southeast 2145 Mount Pleasant Boulevard Roanoke, VA 24014	Psych Unit, Outpatient Rehabilitation
Carilion Prenatal Diagnostic Center 102 Highland Ave Ste 455 Roanoke, VA 24014	Psych Unit, Outpatient Rehabilitation
Carilion Department of Psychiatry and Be 2900 Tyler Road Christiansburg, VA 24073	Psych Unit, Outpatient Rehabilitation
Carilion Clinic Ortho-Spine 3 Riverside Circle 1st Floor Roanoke, VA 24016	Psych Unit, Outpatient Rehabilitation
Botetourt Athletic Center 105 Summerfield Court Roanoke, VA 24019	Psych Unit, Outpatient Rehabilitation

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)
Daleville Imaging 46 Wesley Road Daleville, VA 24014	Psych Unit, Outpatient Rehabilitation
Carilion Center for Healthy Aging 2001 Crystal Spring Avenue Suite 302 Roanoke, VA 24014	Psych Unit, Outpatient Rehabilitation
CFM - Salem 2102 West Main Street Salem, VA 24153	Psych Unit, Outpatient Rehabilitation
Carilion Dentistry General Surgery 2017 S Jefferson Street 2nd Floor Roanoke, VA 24014	Psych Unit, Outpatient Rehabilitation
Department of Psychiatry & Behavioral Me 213 McClanahan Street Suite 310 Roanoke, VA 24014	Psych Unit, Outpatient Rehabilitation
Pediatric Gastroenterology 102 Highland Avenue Suite 305 Roanoke, VA 24013	Psych Unit, Outpatient Rehabilitation
Carilion Dentistry Pediatric Surgery 101 Elm Avenue 1st Floor Roanoke, VA 24017	Psych Unit, Outpatient Rehabilitation
Carilion Dental Care 2017 S Jefferson Street Roanoke, VA 24014	Psych Unit, Outpatient Rehabilitation
Carilion Department of Psychiatry Roanok 2017 S Jefferson Street Roanoke, VA 24014	Psych Unit, Outpatient Rehabilitation
Carilion Gynecological Oncology 1 Riverside Circle Suite 300 Roanoke, VA 24016	Psych Unit, Outpatient Rehabilitation
Carilion Anticoagulation Clinic 1030 S Jefferson St Ste G101 Roanoke, VA 24014	Psych Unit, Outpatient Rehabilitation
CRMH Rheumatology Clinic 3 Riverside Circle Roanoke, VA 24016	Psych Unit, Outpatient Rehabilitation
Salem Family Practice - Spartan Drive 150 Spartan Drive Salem, VA 24153	Psych Unit, Outpatient Rehabilitation
Breast Mammography - North 6415 Peters Creek Road Roanoke, VA 24014	Psych Unit, Outpatient Rehabilitation
Carilion Pulmonary Clinic 2001 Crystal Spring Avenue Suite 205 Roanoke, VA 24014	Psych Unit, Outpatient Rehabilitation

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)
Carilion Clinic Neurological Care - Roan 1030 S Jefferson Street Roanoke, VA 24016	Psych Unit, Outpatient Rehabilitation
Carilion Pediatric Neurology 102 Highland Avenue Suite 104 Roanoke, VA 24013	Psych Unit, Outpatient Rehabilitation
Carilion Roanoke IP Psychiatry 2017 S Jefferson Street 1st Floor Roanoke, VA 24014	Psych Unit, Outpatient Rehabilitation
Carilion Pain Mgmt 3 Riverside Circle Roanoke, VA 24016	Psych Unit, Outpatient Rehabilitation
Carilion Clinic Gastroenterology 3 Riverside Circle Roanoke, VA 24016	Psych Unit, Outpatient Rehabilitation
Carilion Clinic TraumaCritical Care 3 Riverside Circle Roanoke, VA 24016	Psych Unit, Outpatient Rehabilitation
Carilion Urgent Care Westlake 35 Medical Court Hardy, VA 24101	Psych Unit, Outpatient Rehabilitation
Carilion Child and Adolescent Psychiatry 213 McClanahan Street Suite 310 Roanoke, VA 24014	Psych Unit, Outpatient Rehabilitation
Department of Psychiatry & Behavioral Me 213 McClanahan Street Suite 310 Roanoke, VA 24014	Psych Unit, Outpatient Rehabilitation
Pediatric Cardiology Clinic 102 Highland Avenue Suite 101 Roanoke, VA 24013	Psych Unit, Outpatient Rehabilitation
Pediatric Pulmonology 102 Highland Avenue Suite 203 Roanoke, VA 24013	Psych Unit, Outpatient Rehabilitation
Roanoke Ambulatory Center 1102 Jefferson St Roanoke, VA 24016	Psych Unit, Outpatient Rehabilitation
Carilion Sleep Center 1030 Jefferson Plaza Ste G100 Roanoke, VA 24016	Psych Unit, Outpatient Rehabilitation
Carilion Clinic Urogynecology 1030 S Jefferson Suite 109 Roanoke, VA 24016	Psych Unit, Outpatient Rehabilitation
Carilion Clinic Pediatric Surgery Clinic 102 Highland Avenue Suite 404 Roanoke, VA 24013	Psych Unit, Outpatient Rehabilitation

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)
Carilion Cardiac Rehab 127 McClanahan Street Roanoke, VA 24016	Psych Unit, Outpatient Rehabilitation
Carilion ID Crystal Spring 2001 Crystal Spring Avenue Suite 301 Roanoke, VA 24014	Psych Unit, Outpatient Rehabilitation
Reproductive Endocrinology Clinic 102 Highland Avenue Suite 304 Roanoke, VA 24013	Psych Unit, Outpatient Rehabilitation
Carilion Imaging 3 Riverside Circle Roanoke, VA 24016	Psych Unit, Outpatient Rehabilitation
CIM Crystal Spring 2001 Crystal Spring Avenue Suite 205 Roanoke, VA 24014	Psych Unit, Outpatient Rehabilitation
Pediatric Developmental Clinic 1030 S Jefferson Street Suite 201 Roanoke, VA 24016	Psych Unit, Outpatient Rehabilitation
Carilion Clinic Physiatry 3 Riverside Circle Roanoke, VA 24016	Psych Unit, Outpatient Rehabilitation
Carilion Diabetic Education 1030 S Jefferson Suite G101 Roanoke, VA 24016	Psych Unit, Outpatient Rehabilitation
Carilion Pediatric Endocrinology Clinic 102 Highland Avenue MOB Suite 203 Roanoke, VA 24013	Psych Unit, Outpatient Rehabilitation
Carilion Breast Care Center 1211 S Jefferson St Roanoke, VA 24014	Psych Unit, Outpatient Rehabilitation
Carilion Sleep Center Westlake 35 Medical Court Hardy, VA 24101	Psych Unit, Outpatient Rehabilitation
Carilion Genetics 102 Highland Avenue Suite 104 Roanoke, VA 24013	Psych Unit, Outpatient Rehabilitation
Carilion Surgery Westlake 35 Medical Court Hardy, VA 24101	Psych Unit, Outpatient Rehabilitation
Carilion Cardiology Westlake 35 Medical Court Hardy, VA 24101	Psych Unit, Outpatient Rehabilitation
Carilion Heart Failure Clinic 127 McClanhan St Roanoke, VA 24016	Psych Unit, Outpatient Rehabilitation

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)
OBGYN Private - Roanoke 102 Highland Avenue Suite 455 Roanoke, VA 24013	Psych Unit, Outpatient Rehabilitation
Carilion Clinic Cardiology 2001 Crystal Spring Ave Suite 300 Roanoke, VA 24014	Psych Unit, Outpatient Rehabilitation
Carilion Wound Care Center 101 Elm Ave SE Roanoke, VA 24019	Psych Unit, Outpatient Rehabilitation
Carilion Clinic Orthopaedics - NRV 2900 Lamb Circle - L 760 Christiansburg, VA 24073	Psych Unit, Outpatient Rehabilitation
Carilion Clinic Spine Surgery 304 Davis Street Independence, VA 24348	Psych Unit, Outpatient Rehabilitation
Carilion Maternal Fetal Medicine 101 Elm Avenue Suite 400 Roanoke, VA 24013	Psych Unit, Outpatient Rehabilitation
Community Care 101 Elm Avenue SE Roanoke, VA 24013	Psych Unit, Outpatient Rehabilitation
Community Psychiatry 611 McDowell Avenue Roanoke, VA 24016	Psych Unit, Outpatient Rehabilitation
Carilion Clinic OBGYN Spartan Drive 150 Spartan Drive Salem, VA 24153	Psych Unit, Outpatient Rehabilitation
Carilion Plastic Surgery 1 Riverside Circle Suite 300 Roanoke, VA 24016	Psych Unit, Outpatient Rehabilitation
Carilion Clinic OBGYN Botetourt 150 Market Ridge Lane Daleville, VA 24083	Psych Unit, Outpatient Rehabilitation
Carilion Imaging Professionals 1 Taylor Avenue Pearisburg, VA 24134	Psych Unit, Outpatient Rehabilitation
Carilion Clinic Allergy and Immunology 46 Wesley Road Daleville, VA 24083	Psych Unit, Outpatient Rehabilitation
Carilion Plastic and Reconstructive Surg 3 Riverside Circle Roanoke, VA 24016	Psych Unit, Outpatient Rehabilitation
CNRVMC - Neurosciences 2900 Lamb Circle Christiansburg, VA 24073	Psych Unit, Outpatient Rehabilitation

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)
CNRVMC - Radiology 2900 Lamb Circle Christiansburg, VA 24073	Psych Unit, Outpatient Rehabilitation

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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
CARILION MEDICAL CENTER

Employer identification number
54-0506332

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
See Additional Data Table							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . ▶ 9

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

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) Endowment-funded indigent patient medical bills	19	230,420			
(2) Scholarships	5	9,000			
(3) Transportation Assistance	1840	110,405			

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

Return Reference	Explanation
Schedule I, Part I, Line 2	The hospital donates funds to other 501(c)3 charitable organizations with a similar mission Such organizations also have community boards which oversee the expenditure of such funds The hospital also has a program under which funds are granted to community organizations with a focus on children's health and well-being A committee of Carilion Medical Center employees and an independent physician reviews the applications and selects the recipients Recipients sign a letter of agreement that delineates the terms and objectives of the project One mid-year project report, a site visit and a final program evaluation reports on the program's services, outcomes and budget
Schedule I, Part III, Line 1	Grant requests for indigent patients are evaluated for eligibility based on the restrictino criteria placed by the grantor of the endowment, account payment status and funds available under the grant
Schedule I, Part III, Line 2	Scholarship applications are evaluated and awards made by an independent committee according to prescribed guidelines

Additional Data

Software ID:
Software Version:
EIN: 54-0506332
Name: CARILION MEDICAL CENTER

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Children's Trusts of Roanoke 541 Luck Ave Suite 308 Roanoke, VA 24016	51-0235891	501(c)(3)	50,000				Operational Support

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
CHIP of Roanoke Valley 1201 3rd Street Roanoke, VA 24016	54-1566451	501(c)(3)	50,000				Operational Support

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Radford University 801 E Main St Radford,VA 24142	54-6001789	State Govt	86,520				School of Nursing Support

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Taubman Museum of Art 110 Salem Ave SE Roanoke, VA 24011	54-6026841	501(c)(3)	52,700				General Support

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Jefferson College of Health Sciences Education Foundation 101 Elm Ave Roanoke,VA 24013	54-1637118	501(c)(3)	5,000				General Support

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Boys & Girls Club of Southwest Virginia Inc 1714 9th St SE Roanoke, VA 24013	54-1867366	501(c)(3)	6,200				General Support

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Virginia Business Higher Education Council 1108 E Main St 1100 Richmond, VA 23219	54-1827038	501(c)(3)	10,000				General Support

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Fear 2 Freedom PO Box 6104 Newport News, VA 23606	45-2143034	501(c)(3)	6,000				General Support

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
Carilion New River Valley Medical Center 2900 Lamb Circle Christiansburg, VA 24073	54-0553805	501(c)(3)	6,113				Research

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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
CARILION MEDICAL CENTER

Employer identification number
54-0506332

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III			
	☐ Compensation committee	☐ Written employment contract		
	☐ Independent compensation consultant	☐ Compensation survey or study		
	☐ Form 990 of other organizations	☐ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**	Yes	
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 3	See Schedule O disclosure for Form 990, Part VI, Section B, Line 15
Part I, Line 4b	Select members of management participate in a split-dollar life insurance benefit Under the program, participants purchase a life insurance policy The Company pays the premium on the policy as an interest-bearing loan to the participant The policy is collaterally assigned to the Company as security for the payment of the loan Upon any payout from the policy, either at the death of the participant or some earlier terminating event, the Company is repaid its loan first, with the remainder of policy proceeds, if any, then payable to the participant or his or her beneficiaries Select members of management participate in a Pension Restoration Plan This plan provides a benefit equal to the normal retirement benefit that would be payable to the participant were it not for the Qualified plan's legislative restrictions on compensation and payable benefits, less the actual benefits under the Qualified plan Entitlement to benefits and consequent lump sum payment occurs upon the earliest of (i) attaining age 65 while employed by Carilion Clinic, (ii) 24 months following involuntary separation from service without reasonable cause, (iii) disability, or (iv) voluntary separation or involuntary separation with reasonable cause prior to attaining age 65 if the participant does not enter into competition with Carilion Clinic during the 24-month period following the participant's separation from service Upon the death of the participant, the plan shall pay the participant's beneficiary according to plan terms Select members of management participate in an Executive Flexible Benefit Plan, in which an allowance is provided to the participant for use in obtaining certain insurance benefits The allowance is determined annually as a percentage of salary at Carilion Clinic's discretion The amount of allowance in excess of elected benefits is credited to a capital accumulation account (CAA) with a deferred vesting date of at least two years from the first day of the plan year The CAA shall be distributed in a lump sum upon the earliest of (i) remaining employed by Carilion to the deferred vesting date for such account, (ii)disability, (iii) 24 months following involuntary separation from service without reasonable cause, except that Carilion at its discretion may make a partial tax distribution upon separation, or (iv) 24 months following voluntary or involuntary separation from service with reasonable cause if the participant does not enter into competition with Carilion Clinic during the 24-month period following separation from service Upon the death of the participant, the plan shall pay the participant's beneficiary according to plan terms Payments during the calendar year under these plans included the following Nancy Agee $67,731 Donald Lorton $3,389,344 Mark Werner $344,249
Part I, Line 7	The organization pays annual bonus compensation to management based on scorecard performance While the scorecard contains a formula as a basis for determining overall performance, senior managers have discretion to include additional elements in their assessment of managers reporting to them In addition, for top management, the actual bonus awarded is in the discretion of the Carilion Clinic Compensation Committee, although it is based on the scorecard measures

Additional Data

Software ID:
Software Version:
EIN: 54-0506332
Name: CARILION MEDICAL CENTER

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				
John H Burton MD Director/Chair/VP Medical Affair	(I) (II)	378,361 0	64,959 0	2,630 0	8,494 0	13,776 0	468,220 0	0 0
Cynda A Johnson MD Director	(I) (II)	0 535,510	0 0	0 7,178	0 27,695	0 10,222	0 580,605	0 0
Clifford A Nottingham MD Director	(I) (II)	0 286,267	0 42,428	0 5,778	0 328	0 9,994	0 344,795	0 0
Patrice M Weiss MD Director/EVP/Chair	(I) (II)	398,163 0	86,792 0	2,637 0	776 0	14,036 0	502,404 0	0 0
Ralph E Whatley MD Director/Chair/SVP/Chief Quality	(I) (II)	422,540 0	81,199 0	7,148 0	23,083 0	10,343 0	544,313 0	0 0
Nancy Howell Agee Director/President/CEO	(I) (II)	0 901,901	0 159,389	0 68,147	0 737,684	0 12,373	0 1,879,494	0 67,731
Steve C Arner Director/President/SVP/COO	(I) (II)	161,300 125,280	0 52,500	11,470 5,956	-5,963 -6,341	6,710 7,136	173,517 184,531	0 0
Tracey W Criss MD Director/Chief of Medical Staff	(I) (II)	162,610 0	49,873 0	1,701 0	-26,697 0	13,231 0	200,718 0	0 0
Thomas D Denberg MD PhD EVP/Chief Strategy Officer	(I) (II)	0 198,845	0 70,373	0 3,673	0 0	0 13,937	0 286,828	0 0
Briggs W Andrews SVP/General Counsel/Secretary	(I) (II)	0 342,584	0 60,961	0 755	0 36,388	0 9,654	0 450,342	0 0
G Robert Vaughan Jr SVP/Treasurer	(I) (II)	0 211,713	0 38,988	0 4,867	0 -27,255	0 14,193	0 242,506	0 0
R Wayne Gandee MD EVP/Chief Medical Officer	(I) (II)	542,850 0	181,896 0	8,451 0	18,675 0	10,646 0	762,518 0	0 0
Maxine M Lee MD VP of Medical Affairs	(I) (II)	269,323 0	47,250 0	2,615 0	15,937 0	2,054 0	337,179 0	0 0
Donald B Halliwill EVP/CFO/Assistant Treasurer	(I) (II)	0 284,640	0 52,500	0 6,020	0 -27,463	0 13,574	0 329,271	0 0
Jonathan Carmouche MD Physician	(I) (II)	944,354 0	398,831 0	2,098 0	4,356 0	14,036 0	1,363,675 0	0 0
Cay Mierisch MD Physician	(I) (II)	768,556 0	257,363 0	2,638 0	-4,709 0	13,776 0	1,037,624 0	0 0
Joseph Moskal MD Physician	(I) (II)	1,024,829 0	191,214 0	5,157 0	22,378 0	14,231 0	1,257,809 0	0 0
Nicholas Qandah MD Physician	(I) (II)	1,053,338 0	200,579 0	2,097 0	5,497 0	14,036 0	1,275,547 0	0 0
Gary Simonds MD Physician	(I) (II)	716,474 0	489,700 0	75,203 0	3,897 0	13,776 0	1,299,050 0	0 0
Donald E Lorton Former EVP	(I) (II)	0 314,369	0 67,943	0 3,390,004	0 -34,833	0 5,312	0 3,742,795	0 3,389,344

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				
Mark Werner Former EVP	(I)	0	0	344,249	-22,080	0	322,169	344,249
	(II)	0	0	0	0	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
CARILION MEDICAL CENTER

Employer identification number
54-0506332

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	Industrial Development Authority of the City of Roanoke VA	54-1106038	770084EQ0	12-14-2005	230,585,000	Capital projects, Current Refunding of Series 2002 B-E, Costs of Issuance, B		X		X		X
B	VA Small Business Industrial Development Authority of City of RoanokeVA	54-1300845	928101AE4	07-09-2008	11,950,000	Capital projects, Costs of Issuance		X		X		X
C	Industrial Development Authority of the City of Roanoke VA	54-1106038	770082AA3	10-13-2010	93,754,000	Redemption of Series 2003A-C Bonds (8/03), costs of issuance		X		X		X
D	Industrial Development Authority of the City of Roanoke VA	54-1106038	770082AE5	02-09-2012	61,563,000	Redemption of Series 2000 and 2002A Bonds, costs of issuance, capital projec		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	27,587,000			11,711,000
2	Amount of bonds legally defeased				
3	Total proceeds of issue	230,585,000	11,950,000	96,404,094	69,968,434
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	1,421,576	107,259	1,229,094	771,282
8	Credit enhancement from proceeds	3,322,861			
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	122,261,974	11,842,741		5,189,198
11	Other spent proceeds	103,578,589		95,175,000	64,007,954
12	Other unspent proceeds				
13	Year of substantial completion	2007	2009	2011	

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?	X			X		X		X
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X							
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		X
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶		0 200 %						
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		0 200 %						
7	Does the bond issue meet the private security or payment test?	X		X		X		X	
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		X
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X		X		X	

Part IV Arbitrage

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

Part IV Arbitrage *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?	X			X		X		X
b	Name of provider	AIG							
c	Term of GIC	0 300000000000							
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X							
6	Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
7	Has the organization established written procedures to monitor the requirements of section 148?	X		X		X		X	

Part V Procedures To Undertake Corrective Action

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

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

Return Reference	Explanation
Schedule K, Part II	All bond issues- multiple entities across multiple jurisidctions, therefore, proceeds allocated to multiple hospitals

Return Reference	Explanation
Schedule K, Part II Line 3	IDA bonds CUSP #770082AA3- the Total Proceeds of Issue of $96,404,094 includes the issue price of $93,754,000, as reported on Part I Column e, plus Bond Premium of $2,650,094 IDA bonds CUSP #770082AE5- the Total Proceeds of Issue of $69,968,434 includes the issue price of $61,563,000, as reported on Part I Column e, plus Bond Premium of $8,405,434

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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
CARILION MEDICAL CENTER

Employer identification number
54-0506332

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) Roanoke Gas Company	Utility Provider	291,298	Utilities purchases		No
(2) Solstas Lab Partners LLC	Service Provider	28,176,099	Lab services		No
(3) Eric H Chen	See Part V	285,589	Employee		No

Part V Supplemental Information

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

Return Reference	Explanation
Part IV, Line (1)	Nancy Howell Agee, Director of Carilion Medical Center and President/CEO of Carilion Clinic, is a Director of Roanoke Gas Company, the local natural gas utility provider
Part IV, Line (2)	Nancy Howell Agee, Director of Carilion Medical Center and President/CEO of Carilion Clinic, G Robert Vaughan, Jr , Officer, and Donald Lorton, former officer, served on the Board of Solstas Lab Partners, LLC of which Carilion had a minority financial interest and from whom the organization purchased lab services
Part IV, Line (3)	Family member of Lauren Chen, Officer

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.
▶Information about Schedule M (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
CARILION MEDICAL CENTER

Employer identification number
54-0506332

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art	X	6	1,075	sale of comparable items
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods	X		4,127	sale of comparable items
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles	X	9	855	sale of comparable items
19 Food inventory	X	6	2,805	sale of comparable items
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (Gift certific)	X	68	13,292	sale of comparable i
26 Other ▶ (Misc COGS)	X	34	10,995	sale of comparable i
27 Other ▶ (Jewelry)	X	15	4,280	sale of comparable i
28 Other ▶ (_____)				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . | 29 |

		Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?		No
b	If "Yes," describe the arrangement in Part II		
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	Yes	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?		No
b	If "Yes," describe in Part II		
33	If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II		

Part II **Supplemental Information.** Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

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
CARILION MEDICAL CENTER

Employer identification number
54-0506332

Return Reference	Explanation
Form 990, Part I, Line 6	The hospital operates a Customer Service-based program for volunteers and we do anything to make our patients and patient families comfortable in very uncomfortable circumstances Tasks include delivering mail, delivering flowers, greeting and escorting patients and providing snacks in the hospital waiting rooms Through Hospice, volunteers provide respite support for caregivers, assist patients with feeding, take care of patients' pets, sing to patients, help in the hospice office, assist with fundraisers, assist with bereavement support activities, deliver birthday gifts, and record patient's life stories

Return Reference	Explanation
Form 990, Part VI, Section A, line 2	1 Nancy Howell Agee and G Robert Vaughan, Jr - Business relationship 2 Nancy Howell Agee, Briggs W Andrews, Lauren J Chen, David S Hagadorn, Donald B Halliwill, Cynda A Johnson, M D , Rachel L Mabe, and G Robert Vaughan, Jr - Business relationship

Return Reference	Explanation
Form 990, Part VI, Section A, line 3	Certain management and related services for the organization are provided by the management and employees of Carillon Services, Inc , a related organization and supporting organization of the organization

Return Reference	Explanation
Form 990, Part VI, Section A, line 4	Carilion Medical Center's Bylaws were amended to create a flexible number of Directors from 12 to 16

Return Reference	Explanation
Form 990, Part VI, Section A, line 6	The organization has a single member The sole member is Carilion Clinic, a charitable tax-exempt organization which serves as the parent company of the Carilion Clinic integrated health care delivery system The sole member elects the directors of the organization and has certain other reserved powers

Return Reference	Explanation
Form 990, Part VI, Section A, line 7a	The sole member of the organization, Carilion Clinic, elects the members of the governing body of the organization periodically as terms expire The sole member also has the right to remove directors and fill any vacancies on the board that may occur for any reason

Return Reference	Explanation
Form 990, Part VI, Section A, line 7b	The sole member of the organization, Carilion Clinic, holds reserved powers with respect to certain enumerated actions, including appointment of CEO, approval of borrowings, budgets and strategic plans and amendments of Articles of Incorporation and Bylaws Approval by the Board of Directors of Carilion Clinic is required for such actions In addition to the reserved powers, under the laws of the Commonwealth of Virginia certain extraordinary actions require member approval, such as mergers, consolidations, liquidations and the sale of substantially all of the assets of the organization

Return Reference	Explanation
Form 990, Part VI, Section B, line 11	All Board Members were notified that the final Form 990 was posted on our Board portal several days prior to filing and were encouraged to call with any questions they might have

Return Reference	Explanation
Form 990, Part VI, Section B, line 12c	A Conflict of Interest Questionnaire, along with a copy of the Policy, is sent out annually to all officers, directors and key employees In addition, such individuals are instructed to inform the organization of potential conflicts which arise during the year Answers to the Questionnaires are reviewed by the Internal Audit Department Potential conflicts for officers and key employees are reviewed by an internal Conflict of Interest Committee, which follows up on any potential issues to ensure compliance with all policies of the organization The answers for Directors are reviewed by the Carillon Clinic Audit and Compliance Committee In addition, the governing body of the organization is provided with a list of the answers annually to make all Board members aware of potential conflicts in order to ensure compliance with policies on how to handle transactions with Board members that may involve potential conflict situations

Return Reference	Explanation
Form 990, Part VI, Section B, line 15	Executive compensation is reviewed annually by the Carilion Clinic Compensation Committee This committee is made up of Board members of Carilion Clinic who do not have a conflict of interest with any of the executives being reviewed With respect to Carilion Clinic, the Compensation Committee reviews the compensation of the Board of Governors which includes the President and Chief Executive Officer, Executive Vice Presidents, Chief Financial Officer, Chief Medical Officer, and Chairs of the Clinical Departments For the fiscal year covered by this return, the Compensation Committee also used the same process to review the compensation of other Disqualified Individuals, including the Hospital CEOs This review was performed in September and October 2013 A similar review was last performed in October 2014 This review included review of a comprehensive report from an outside compensation consultant specializing in healthcare organizations for select positions and the prior year's report on all of the reviewed positions The reports reviewed by the Committee included a detailed comparison of total compensation and each element thereof, including base salary, bonuses and other cash compensation, and benefits, including deferred and retirement benefits Compensation was compared to a peer group of organizations similar in size and structure to the organization, which list was reviewed by the Compensation Committee Detailed minutes of the meetings of the Compensation Committee are kept and approved at the next meeting of the Committee, setting forth the deliberations and decisions regarding the compensation of these executives In addition, the Compensation Committee annually reviews the compensation plan and philosophy for all vice presidents and senior vice presidents, as well as all employed physicians and physicians in leadership roles

Return Reference	Explanation
Form 990, Part VI, Section C, line 19	The organization's governing documents, conflict of interest statement and financial statements are not generally available to the public, but are released from time to time upon request The Articles of Incorporation are available from the Virginia State Corporation Commission The consolidated audited financial statements of Carilion Clinic and of the Obligated Group are released annually to the local newspaper Limited financial information is available on our web site and in our annual report to the community

Return Reference	Explanation
Form 990, Part XI, line 9	Transfer to affiliates -35,500,000 Pension-related changes other than net periodic pension cost -76,600,942 Temporarily Restricted Fund Transfer to affiliates -121,022

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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
CARILION MEDICAL CENTER

Employer identification number
54-0506332

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
(1) The Center For Surgical Excellence LLC PO Box 12385 Roanoke, VA 24025 56-2595597	Inactive- corporation cancelled during year	VA	0	0	Carilion Medical Center
(2) Odyssey IV LLC PO Box 12385 Roanoke, VA 24025 56-2354974	Inactive- corporation cancelled during year	VA	0	0	Carilion Medical Center
(3) RMH Emergency Service LLC PO Box 12385 Roanoke, VA 24025 54-1686589	Physician billing	VA	0	0	carilion Medical Center

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
See Additional Data Table							

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

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

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) CHS Inc PO Box 12385 Roanoke, VA 24025 54-1725732	Services	VA	Carilion Services Inc	C	188,827,249	308,040,294	100 000 %	Yes	
(2) Carilion Clinic Medicare Resources LLC PO Box 12385 Roanoke, VA 24025 26-3729975	Medicare HMO	VA	Carilion Services Inc	C	58,220,637	21,979,480	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	Yes	
b Gift, grant, or capital contribution to related organization(s)	1b	Yes	
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d	Yes	
e Loans or loan guarantees by related organization(s)	1e	Yes	
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j	Yes	
k Lease of facilities, equipment, or other assets from related organization(s)	1k	Yes	
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	Yes	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	Yes	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		No
o Sharing of paid employees with related organization(s)	1o		No
p Reimbursement paid to related organization(s) for expenses	1p		No
q Reimbursement paid by related organization(s) for expenses	1q		No
r Other transfer of cash or property to related organization(s)	1r	Yes	
s Other transfer of cash or property from related organization(s)	1s		No

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
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: 54-0506332
Name: CARILION MEDICAL CENTER

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) Carilion Clinic PO Box 12385 Roanoke, VA 24025 54-1190771	Supporting organization	VA	501(c)(3)	Line 11a, I	N/A		No
(1) Carilion Clinic Foundation PO Box 12385 Roanoke, VA 24025 54-1190773	Supporting organization	VA	501(c)(3)	Line 11b, II	Carilion Clinic	Yes	
(2) Carilion Franklin Memorial Hospital PO Box 12385 Roanoke, VA 24025 54-0480606	Healthcare	VA	501(c)(3)	Line 3	Carilion Clinic	Yes	
(3) Carilion Giles Community Hospital PO Box 12385 Roanoke, VA 24025 54-0549603	Healthcare	VA	501(c)(3)	Line 3	Carilion Clinic	Yes	
(4) Carilion New River Valley Medical Center PO Box 12385 Roanoke, VA 24025 54-0553805	Healthcare	VA	501(c)(3)	Line 3	Carilion Clinic	Yes	
(5) Carilion Services Inc PO Box 12385 Roanoke, VA 24025 54-1190879	Supporting organization	VA	501(c)(3)	Line 11a, I	Carilion Clinic	Yes	
(6) Carilion Stonewall Jackson Hospital PO Box 12385 Roanoke, VA 24025 54-0568001	Healthcare	VA	501(c)(3)	Line 3	Carilion Clinic	Yes	
(7) Carilion Tazewell Community Hospital PO Box 12385 Roanoke, VA 24025 54-6074580	Healthcare	VA	501(c)(3)	Line 3	Carilion Clinic	Yes	
(8) Jefferson College of Health Sciences Education Foundation PO Box 12385 Roanoke, VA 24025 54-1637118	Supporting organization	VA	501(c)(3)	Line 11b, II	N/A		No

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
Carilion Services Inc	A	7,984,505	Cost
CHS Incand Subsidiaries	A	166,817	Cost
Carilion New River Valley Medical Center	L	4,132,076	Cost
Carilion Giles Community Hospital	L	1,225,028	Cost
Carilion Franklin Memorial Hospital	L	1,569,336	Cost
Carilion Stonewall Jackson Hospital	L	1,172,603	Cost
Carilion Tazewell Community Hospital	L	1,371,571	Cost
Carilion Services Inc	L	195,226	Cost
CHS Incand Subsidiaries	L	349,247	Cost
Carilion New River Valley Medical Center	K	82,590	Cost
Carilion New River Valley Medical Center	L	56,843	Cost
Carilion Clinic	K	9,228,066	Cost
Carilion Services Inc	K	50,588	Cost
Carilion Services Inc	M	126,669,475	Cost
CHS Incand Subsidiaries	K	3,076,916	Cost
CHS Incand Subsidiaries	H	69,599	Cost
CHS Incand Subsidiaries	M	5,043,963	Cost
Carilion Services Inc	R	35,500,000	Cash

Carilion Clinic and Subsidiaries

Consolidated Financial Statements as of and for the Years Ended September 30, 2014 and 2013, and Independent Auditors' Report

CARILION CLINIC AND SUBSIDIARIES

Roanoke, Virginia
A Nonstock, Nonprofit Corporation
Chartered by the Commonwealth of Virginia

OFFICERS OF THE BOARD OF DIRECTORS

James A Hartley	Chairman
Nancy H Agee	President
G Robert Vaughan, Jr	Treasurer
Briggs W Andrews	Secretary

BOARD OF DIRECTORS

Nancy H Agee	James A Hartley
R Steve Blanks	Victor Iannello
Laurent Boetsch	Daniel R Jones, MD
John A Bond	Joseph P Scartelli, PhD
J Alexander Boone	Raymond D Smoot, Jr , PhD
Abney S Boxley, III	James C Thompson
George B Cartledge, Jr	James M Turner, Jr
Ronald C Evans	William White, Sr
	Danielle H Yarber

CARILION CLINIC AND SUBSIDIARIES

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Carilion Clinic
Roanoke, Virginia

We have audited the accompanying consolidated financial statements of Carilion Clinic and subsidiaries (the "Clinic"), which comprise the consolidated balance sheets as of September 30, 2014 and 2013, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements

Management's Responsibility for the Consolidated 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

Auditors' 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 audit 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 Clinic'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 Clinic'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 above present fairly, in all material respects, the financial position of the Clinic as of September 30, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

Emphasis of Matter

As discussed in Notes 1, 4, and 16 to the consolidated financial statements, the consolidated financial statements include investments valued at $442,330,000 (23% of total assets) and $322,725,000 (18% of total assets) as of September 30, 2014 and 2013, respectively, whose fair values have been estimated by management in the absence of readily determinable fair values. In addition, the defined benefit postretirement plan assets disclosed in Notes 9 and 16 include investments of $249,770,000 and $193,563,000 as of September 30, 2014 and 2013, respectively, whose fair values have been estimated by management in the absence of readily determinable fair values. Our opinion is not modified with respect to this matter.

Deloitte & Touche LLP

January 27, 2015

CARILION CLINIC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2014 AND 2013
(In thousands)

	2014	2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 5,466	$ 2,954
Accounts receivable — net of allowance for doubtful accounts of $110,649 in 2014 and $87,462 in 2013	200,662	195,689
Inventories	14,908	13,533
Prepaid expenses and other current assets	17,356	18,823
Total current assets	238,392	230,999
INVESTMENTS	162,415	107,628
INTEREST RATE SWAPS	2,719	1,050
ASSETS WHOSE USE IS LIMITED	889,309	796,805
PROPERTY AND EQUIPMENT — Net	599,503	588,675
OTHER ASSETS	29,598	30,143
TOTAL	$1,921,936	$1,755,300
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of long-term debt	$ 12,766	$ 41,437
Accounts payable	38,171	35,652
Due to third-party payors	34,641	30,882
Accrued salaries and wages	57,631	49,843
Accrued vacation	38,257	37,041
Other current liabilities	94,328	90,687
Total current liabilities	275,794	285,542
LONG-TERM DEBT — Net of current portion	604,620	584,616
INTEREST RATE SWAPS	52,932	48,067
PENSION AND OTHER LIABILITIES	404,321	234,444
Total liabilities	1,337,667	1,152,669
COMMITMENTS AND CONTINGENCIES (Notes 4, 5, 8, 14, and 15)		
NET ASSETS		
Unrestricted		
Carilion Clinic and subsidiaries	555,141	576,532
Noncontrolling interests	4,050	3,481
Total unrestricted net assets	559,191	580,013
Temporarily restricted	13,202	10,742
Permanently restricted	11,876	11,876
Total net assets	584,269	602,631
TOTAL	$1,921,936	$1,755,300

See notes to consolidated financial statements

CARILION CLINIC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013
(In thousands)

	2014	2013
UNRESTRICTED OPERATING REVENUES AND GAINS		
Patient service revenue — net of contractual allowances and discounts	$1,443,456	$1,346,093
Provision for bad debts	(115,030)	(90,044)
Net patient service revenue	1,328,426	1,256,049
Other operating revenue	162,009	175,731
Net assets released from restrictions	2,725	2,299
Total unrestricted operating revenues and gains	1,493,160	1,434,079
OPERATING EXPENSES		
Salaries and outside labor	726,209	683,634
Benefits	140,462	153,614
Supplies and other expenses	472,806	475,547
Depreciation	74,324	74,412
Interest expense	24,672	26,552
Total operating expenses	1,438,473	1,413,759
OPERATING INCOME	54,687	20,320
NONOPERATING INCOME		
Investment income	78,857	123,087
Other nonoperating loss	(16,893)	(423)
Total nonoperating income	61,964	122,664
EXCESS OF UNRESTRICTED REVENUES AND GAINS OVER EXPENSES FROM CONSOLIDATED OPERATIONS	116,651	142,984
PENSION-RELATED CHANGES OTHER THAN NET PERIODIC PENSION COST	(137,304)	172,666
DISTRIBUTION TO STONEWALL JACKSON COMMUNITY HEALTH FOUNDATION AND OTHER	(195)	(298)
NET ASSETS RELEASED FROM RESTRICTIONS FOR PURCHASES OF PROPERTY AND EQUIPMENT	26	219
(DECREASE) INCREASE IN UNRESTRICTED NET ASSETS FROM CONSOLIDATED OPERATIONS	(20,822)	315,571
CHANGE IN UNRESTRICTED NET ASSETS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	569	688
CHANGE IN UNRESTRICTED NET ASSETS ATTRIBUTABLE TO CARILION CLINIC AND SUBSIDIARIES	$ (21,391)	$ 314,883

See notes to consolidated financial statements

CARILION CLINIC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013
(In thousands)

	2014	2013
UNRESTRICTED NET ASSETS		
Excess of unrestricted revenues and gains over expenses from consolidated operations	$ 116,651	$ 142,984
Pension-related changes other than net periodic pension cost	(137,304)	172,666
Distribution to Stonewall Jackson Community Health Foundation and other	(195)	(298)
Net assets released from restrictions for purchases of property and equipment	26	219
(Decrease) increase in unrestricted net assets	(20,822)	315,571
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	2,246	2,360
Investment income	3,077	2,014
Net assets released from restrictions for purchase of property and equipment	(26)	(219)
Net assets released from restrictions used for operations	(2,725)	(2,299)
Transfers to Bedford Memorial Hospital	(112)	
Increase in temporarily restricted net assets	2,460	1,856
(DECREASE) INCREASE IN NET ASSETS	(18,362)	317,427
NET ASSETS — Beginning of year	602,631	285,204
NET ASSETS — End of year	$ 584,269	$ 602,631

See notes to consolidated financial statements

CARILION CLINIC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013
(In thousands)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) increase in net assets	$ (18,362)	$ 317,427
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities		
Depreciation	74,324	74,412
Deferred compensation	17,242	4,115
Provision for bad debts	115,030	90,044
Net realized and unrealized gains on investments and interest rate swaps	(46,016)	(111,085)
Equity in earnings and gain on sale of affiliates	(20,018)	(1,002)
Losses (gains) on sale of assets	297	(3,374)
Restricted contributions and restricted investment income	(5,323)	(4,374)
Pension-related changes other than net periodic pension cost	137,304	(172,666)
Funding in deficit of net periodic pension cost	1,085	12,615
Loss on extinguishment of debt	122	
Changes in		
Accounts receivable	(120,003)	(94,594)
Inventories, prepaid expenses, and other current assets	92	(3,611)
Other assets	(534)	(1,924)
Accounts payable and accrued expenses	12,459	4,013
Due to third-party payors	3,759	(3,326)
Other current liabilities	(2,961)	5,142
Other liabilities	12,423	(3,022)
Net cash provided by operating activities	160,920	108,790
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(87,616)	(58,369)
Proceeds from sale of property and equipment	1,153	4,363
Purchases of investments and assets whose use is limited	(214,192)	(426,634)
Proceeds from sale of investments and assets whose use is limited	150,111	383,291
Net cash used in investing activities	(150,544)	(97,349)

(Continued)

CARILION CLINIC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013
(In thousands)

	2014	2013
CASH FLOWS FROM FINANCING ACTIVITIES		
Restricted contributions and restricted investment income	$ 5,323	$ 4,374
Deferred financing costs	85	
Change in annuity obligation	50	48
Distribution to Stonewall Jackson Community Health Foundation and other	(195)	(298)
Proceeds from issuance of long-term debt	283,110	
Principal payments and retirements of long-term debt	(296,237)	(14,403)
Net cash used in financing activities	(7,864)	(10,279)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,512	1,162
CASH AND CASH EQUIVALENTS — Beginning of year	2,954	1,792
CASH AND CASH EQUIVALENTS — End of year	$ 5,466	$ 2,954
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid for interest (net of amount capitalized) in 2014 and 2013 was $26,416 and $28,471, respectively		
Noncash acquisitions of property and equipment in 2014 and 2013 totaled $937 and $666, respectively		

See notes to consolidated financial statements (Concluded)

1. CORPORATE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization — Carilion Clinic is the sole member of Carilion Medical Center (CMC) (t/a Carilion Roanoke Memorial Hospital and Carilion Roanoke Community Hospital), Carilion New River Valley Medical Center (CNRV), Carilion Franklin Memorial Hospital (CFMH), Carilion Giles Community Hospital (CGCH), Carilion Tazewell Community Hospital (CTCH), Carilion Clinic Properties, LLC (CCP), Carilion Clinic Foundation (CF), and Carilion Services, Inc (CSI) (collectively, "Carilion")

Carilion has an 80% interest in Carilion Stonewall Jackson Hospital (CSJH), with the noncontrolling interest remaining with Stonewall Jackson Community Health Foundation

The accounts of CMC, CNRV, CFMH, CGCH, CSJH, and CCP are collectively referred to as the Obligated Group as a result of the Master Trust Indenture executed by and among the members of the Obligated Group in connection with the issuance of certain long-term debt obligations

Carilion and Centra Health ("Centra") had a joint ownership agreement with Bedford Memorial Hospital (BMH) under which Carilion and Centra each had a 50% equity interest in BMH (see Note 6) As of June 30, 2014 Carilion sold their interest in BMH to Centra and ended the joint ownership agreement When Centra acquired full ownership of BMH, BMH withdrew as a member of the Obligated Group At that time, Carilion Clinic and the remaining members of the Obligated Group entered into a Debt Service and Guaranty Agreement with BMH, guaranteed by Centra, to provide for the payment of debt service on the portions of the Series 2005C Bonds and the Series 2012 Bonds that were previously allocated to BMH (Note 8)

Carilion and the entities for which it serves as sole member are not-for-profit, nonstock membership corporations exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) CSI is the sole stockholder of Blue Ridge Indemnity Company, LLC (BRIC), Carilion Clinic Medicare Resources, LLC (CCMR), and CHS, Inc (CHSI), a holding company for taxable subsidiaries

CCMR is a health maintenance organization for residents of southwest Virginia that began offering Medicare Advantage health plans as of October 1, 2009 and a Medicaid managed care health plan beginning January 1, 2012 Effective January 1, 2014, CCMR no longer offered the Medicare Advantage health plans and effective November 30, 2014, CCMR will no longer offer the Medicaid managed care health plan

Presentation of Consolidated Financial Statements — The consolidated financial statements of Carilion have been prepared under the accrual basis in accordance with accounting principles generally accepted in the United States of America (U S GAAP) as set forth in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC)

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions Accordingly, net assets of Carilion and changes therein are classified and reported as follows

Unrestricted Net Assets — Net assets that are not subject to donor-imposed stipulations

Temporarily Restricted Net Assets — Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose Temporarily restricted net assets held by Carilion as of September 30, 2014 and 2013, were restricted primarily for indigent care, clinical research, trauma operations, and neonatal and pediatric care

Permanently Restricted Net Assets — Permanently restricted net assets have been restricted by donors to be maintained by Carilion in perpetuity Permanently restricted net assets held by Carilion as of September 30, 2014 and 2013, were restricted primarily for neonatal and pediatric care

In the accompanying consolidated statements of operations, all revenues have been reported as increases in unrestricted net assets, unless use of the related assets is limited by donor-imposed restrictions Expenses are reported as decreases in unrestricted net assets Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions Cash and noncash contributions are recorded at fair value when made with the exception of unconditional promises, which are recognized on the date the promise is made

The consolidated statements of operations include excess of unrestricted revenues and gains over expenses Changes in unrestricted net assets that are excluded from excess of unrestricted revenues and gains over expenses, include net assets released from restrictions for purchase of property and equipment, pension-related changes other than net periodic pension costs, and distributions to noncontrolling interests

Consolidation — The consolidated financial statements include all subsidiaries for which Carilion has a controlling financial interest All significant intercompany accounts and transactions have been eliminated in consolidation

Patient Service Revenue — Carilion recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered Carilion has agreements with third-party payors that provide for payments to Carilion at amounts different from its established rates Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per-diem payments Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined

For uninsured patients that do not qualify for charity care, Carilion recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy) On the basis of historical experience, a significant portion of Carilion's uninsured patients will be unable or unwilling to pay for the services provided Thus, Carilion records a significant provision for bad debts related to uninsured patients in the period the services are provided

Allowance for Doubtful Accounts — Accounts receivable are reduced by an allowance for amounts that could become uncollectible in the future Carilion estimates the allowance for doubtful accounts by reserving a percentage of all self-pay accounts receivable by aging category, based on collection history,

adjusted for expected recoveries and, if present, anticipated changes in trends Carilion collects substantially all of its third-party insured receivables, which include receivables from governmental agencies

Carilion's allowance for doubtful accounts increased as a percentage of patient accounts receivable (net of contractuals) from September 30, 2013 (37%), to 2014 (42%) The increase in the balance was largely the result of a 16% increase in accounts receivable due from patients in 2014 as compared to 2013

Premium Revenues and Claims Expense — Premiums for Medicare Advantage and Medicaid managed care health plans are recognized as other operating revenue over the contract period (see Note 10) Claims expense is recognized as incurred and is reported within supplies and other expenses CCMR incurred claims expense of $53,719 and $74,414 for the years ended September 30, 2014 and 2013, respectively

Electronic Health Records (EHR) Incentives — The American Recovery and Reinvestment Act of 2009 established incentive payments under the Medicare and Medicaid programs for certain professionals and hospitals that meaningfully use certified EHR technology The EHR incentive payments to hospitals include a base amount, plus a discharge-related portion, which is calculated by the Centers for Medicare and Medicaid Services based on the hospital's most recently filed cost report and are subject to adjustment upon settlement of the cost report for the hospital's fiscal year that begins after the beginning of the payment year A hospital may receive incentive payments for up to four years, provided that it successfully demonstrates meaningful use for each applicable EHR reporting period Carilion recognizes revenue for EHR incentive payments in the period in which it is reasonably assured that it will comply with the applicable EHR meaningful use requirements EHR incentive revenues are recognized ratably over the applicable meaningful use reporting period and are included in other operating revenue in the consolidated statements of operations Carilion recognized EHR incentive revenues of $5,713 and $10,885 for the years ended September 30, 2014 and 2013, respectively Carilion's attestations regarding the meaningful use of EHR technology are subject to audit by the federal government or its designee

Charity Care — Carilion provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than established rates Because Carilion does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue or included in patient accounts receivable Carilion estimates the direct and indirect costs to provide charity care using a calculated ratio of costs to gross charges for each facility

Cash and Cash Equivalents — Cash and cash equivalents consist primarily of demand deposits, temporary investments in bank repurchase agreements, certificates of deposit, and overnight master notes with banks Carilion considers all highly liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents

Carilion's cash deposits are held at local and regional banks Carilion had short-term investments of approximately $14,371 and $3,834 at September 30, 2014 and 2013, respectively, at a regional bank, which are included in the system-wide investment pool (see Note 4) and, therefore, are classified as noncurrent assets

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

Investments and Assets Whose Use Is Limited — Carilion combines its investments, including investments and assets whose use is limited, in a system-wide investment pool Assets whose use is limited primarily includes assets designated by the board of directors (the "Board") for future capital improvements, over which the Board retains control and may, at its discretion, subsequently use for other purposes

Carilion's investments and assets whose use is limited, excluding alternative investments, are classified as trading securities and measured at fair value in the consolidated balance sheets with the related interest and dividends and realized and unrealized holding gains and losses reported in investment income in the consolidated statements of operations, unless their use is temporarily or permanently restricted by explicit donor stipulations or by law Management determined that the trading security category is appropriate based on Carilion's investment strategy and policies Investment managers may execute individual purchases and sales of investments without prior approval from Carilion, as long as they comply with Carilion's investment strategy and policies

Alternative investments, which are not readily marketable and are less liquid compared to Carilion's other investments, include hedge funds, limited partnerships, limited liability corporations, and offshore investment funds, and represent 42% and 36% of total investments and assets whose use is limited as of September 30, 2014 and 2013, respectively (see Notes 4 and 16) These instruments may contain elements of both credit and market risk Such risks could include, but are not limited to, limited liquidity, absence of oversight, dependence upon key individuals, emphasis on speculative investments (both interest rate swaps and nonmarketable investments), and nondisclosure of portfolio composition Investments of the limited partnerships include certain types of financial instruments, including, among others, futures and forward contracts, options, and securities sold not yet purchased, intended to hedge against changes in the market value of investments These financial instruments, which involve varying degrees of off-balance-sheet risk for the limited partnerships, limited liability corporations, and offshore investment funds, may result in a loss due to changes in the market (market risk)

Carilion has elected the fair value option to account for its alternative investments U S GAAP permits, as a practical expedient, a reporting entity to measure the fair value of certain investments without readily determinable fair values by using the reported net asset value (NAV) per share of the investment without further adjustment if the investment is in an entity that meets the description of an investment company whose underlying investments are measured at fair value as set forth in the ASC Accordingly, Carilion generally estimates the fair value of its alternative investments using the NAV per share reported by the respective fund managers or the general partners, and other sources of information

Management, with the assistance of a third-party investment consultant, where appropriate, evaluates the valuations provided by external fund managers or general partners for appropriateness through review of the most recently available annual audited financial statements and unaudited interim reporting for the fund, review of the methodologies used to determine fair value, and comparisons of fund performance to market benchmarks

The estimated fair value of certain alternative investments, such as private equity interests, is based on valuations performed prior to the balance sheet date by the external investment managers and adjusted for cash receipts, cash disbursements, and securities distributions through September 30 Because alternative investments are not readily marketable, their estimated fair value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed Such differences could be material

Equity Method Investments — The equity method of accounting is used for investments in entities for which Carilion has the ability to exercise significant influence over the operating and financial policies of the investee, but does not have a controlling financial interest via majority voting rights, sole corporate membership, or by other means The carrying value of equity method investments is adjusted for Carilion's proportionate share of changes in net assets of the investee, with adjustments as applicable for intraentity profit and losses, amortization of basis differences, investee capital transactions, and the effect of investee cumulative preferred stock

Carilion's proportionate share of the earnings of equity method investees is reported in investment income in the consolidated statements of operations Carilion's proportionate share of the investee's extraordinary items, changes in accounting principle, and pension-related changes other than net periodic pension cost are recognized within the corresponding line item in Carilion's consolidated statements of operations and statements of changes in net assets (as applicable)

Equity method investments are initially measured at cost Carilion evaluates the carrying value of equity method investments for other-than-temporary impairment If the equity method investment is determined to be other-than-temporarily impaired, an impairment charge would be recognized for the amount by which the carrying amount exceeds fair value

Property and Equipment — Property and equipment are stated at cost, less accumulated depreciation Donated property and equipment are recorded at fair value at the date of donation Depreciation is computed on the straight-line method over the estimated useful lives of the depreciable assets, except for leasehold improvements, which are amortized over the shorter of the expected useful life of the improvement or the term of the related lease The estimated useful life of buildings is 39 years The estimated useful life of fixed equipment is 10 to 20 years The estimated useful life of movable equipment is 3 to 15 years

Long-lived assets are reviewed for impairment whenever events or circumstances indicate that their carrying amount may not be recoverable The recoverability of long-lived assets is evaluated by comparing the carrying amount to the estimated undiscounted cash flows If the carrying amount exceeds the estimated undiscounted cash flows, an impairment charge would be recognized for the amount by which the carrying amount exceeds the fair value of the long-lived asset Management determined there was no impairment of long-lived assets as of or during the years ended September 30, 2014 and 2013

Interest Costs — Interest costs incurred on borrowed funds, net of interest income earned on the unexpended bond proceeds during the period of construction of capital assets, are capitalized as a component of the costs of acquiring those assets Such amounts were not material to the consolidated financial statements as of and for the years ended September 30, 2014 and 2013

Bond Issue Costs and Original Issue Bond Premium and Discount — Unamortized bond issue costs of $6,729 and $6,862 at September 30, 2014 and 2013, respectively, are included in other assets in the accompanying consolidated balance sheets Unamortized original issue premiums and discounts are netted against long-term indebtedness in the accompanying consolidated balance sheets Bond issue costs, original issue premiums, and original issue discounts are amortized over the period the obligation is outstanding

Derivative Instruments — Carilion uses interest rate swap instruments to manage its exposure to movements in interest rates Interest rate swaps are contractual agreements between two parties for the exchange of interest payments on a notional principal amount at agreed-upon fixed or floating rates for defined periods Interest rate swaps are measured at fair value in the accompanying consolidated balance

sheets, with the change in fair value included in investment income in the accompanying consolidated statements of operations Carilion does not enter into derivative financial instruments for trading purposes

Income Taxes — The Internal Revenue Service has determined that Carilion Clinic, the members of the Obligated Group, CTCH, CF, and CSI qualify under Section 501(c)(3) of the IRC and are, therefore, not generally subject to income taxes under present tax laws CCMR and CHSI and its subsidiaries are taxable corporations

Carilion recognizes a tax liability or asset for the estimated taxes payable or refundable on tax returns for current and prior years Deferred tax assets and liabilities are recognized for the estimated future tax effects attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled A tax benefit from an uncertain tax position is recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits Uncertain tax positions may include the characterization of income, such as a characterization of income as passive, a decision to exclude reporting taxable income in a tax return, or a decision to classify a transaction, entity, or other position in a tax return as tax exempt

Carilion had no material unrecognized tax benefits and no adjustments to its consolidated financial statements were required as of and for the years ended September 30, 2014 and 2013 Carilion does not expect that unrecognized tax benefits will materially increase within the next 12 months

Interest and penalties related to uncertain tax positions, if any, would be reported in the consolidated financial statements as income tax expense Fiscal years from 2011 through 2013 are subject to examination by the federal and state taxing authorities There are no income tax examinations currently in process

Use of Estimates — The preparation of financial statements in conformity with U S GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period Significant estimates and assumptions are used for, but not limited to, recognition of net patient service revenue, valuation of accounts receivable, including contractual allowances and provisions for doubtful accounts, liabilities for losses and expenses related to employee health care and professional and general liability risks, valuation of pension plan liabilities, valuation of investments and interest rate swap instruments, depreciation of property and equipment, and estimated third-party settlements Future events and their effects cannot be predicted with certainty, accordingly, management's accounting estimates require the exercise of judgment The accounting estimates used in the preparation of the accompanying consolidated financial statements will change as new events occur, as more experience is acquired, as additional information is obtained, and as the operating environment changes Management regularly evaluates the accounting policies and estimates it uses In general, management relies on historical experience and on other assumptions believed to be reasonable under the circumstances and may employ outside experts to assist in the evaluation, as considered necessary Although management believes all adjustments considered necessary for fair presentation have been included, actual results may vary from those estimates

Subsequent Events — Carilion has evaluated subsequent events from the end of the most recent fiscal year through January 27, 2015, the date of issuance of the consolidated financial statements

Recently Issued Accounting Guidance — In February 2013, the FASB issued ASU No 2013-04, *Liabilities (Topic 405) Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date* ("ASU 2013-04") ASU 2013-04 provides guidance for the recognition, measurement, and disclosure of obligations resulting from joint and several liability arrangements for which the total amount of the obligation within the scope of this guidance is fixed at the reporting date ASU 2013-04 requires entities to measure these obligations as the sum of the amount the reporting entity agreed to pay on the basis of its arrangement among its co-obligors and any additional amount the reporting entity expects to pay on behalf of its co-obligors ASU 2013-04 is effective for fiscal years ending after December 15, 2014 Carlton is currently evaluating the impact on its consolidated financial statements from the adoption of this guidance

In April 2014, the FASB issued ASU No 2014-08, *Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360) Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity* ("ASU 2014-08") ASU 2014-08 changes the requirements for reporting discontinued operations, such that a disposal of a component of an entity or a group of components of an entity is required to be reported in discontinued operations, if the disposal represents a strategic shift that has, or will have, a major effect on an entity's operations and financial results ASU 2014-08 requires an entity to present, for each comparative period, the assets and liabilities of a disposal group that includes a discontinued operation separately in the asset and liability sections, respectively, of the statement of financial position, as well as additional disclosures about discontinued operations Additionally, ASU 2014-08 requires disclosures about a disposal of an individually significant component of an entity that does not qualify for discontinued operations presentation in the financial statements and expands the disclosures about an entity's significant continuing involvement with a discontinued operation ASU 2014-08 is effective for fiscal years beginning after December 15, 2014 Carlton is currently evaluating the impact on its consolidated financial statements from the adoption of this guidance

In May 2014, the FASB issued ASU No 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09") ASU 2014-09 affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards The core principle of the guidance in ASU 2014-09 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services ASU 2014-09 is effective for fiscal years beginning after December 15, 2016 Carlton is currently evaluating the impact on its consolidated financial statements from the adoption of this guidance

In August 2014, the FASB issued ASU No 2014-15, *Presentation of Financial Statements – Going Concern (Subtopic 205-40) Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern* ("ASU 2014-15") ASU 2014-15 provides guidance on management's responsibility in evaluating whether there is substantial doubt about the reporting entity's ability to continue as a going concern and about related footnote disclosures For each reporting period, management will be required to evaluate whether there are conditions or events that raise substantial doubt about the reporting entity's ability to continue as a going concern within one year from the date the financial statements are issued ASU 2014-15 is effective for fiscal years ending after December 15, 2016 Carlton is currently evaluating the impact on its consolidated financial statements from the adoption of this guidance

2. CHARITY CARE AND COMMUNITY SERVICES

Carilion is committed to providing quality health care to all, regardless of ability to pay. Under Carilion's charity care policy, patients meeting certain criteria receive care without charge or at a significant discount. The estimated cost of providing charity care to patients was $58,616 and $67,816 for 2014 and 2013, respectively.

Also, management believes that a portion of the provision for bad debts relating to patient service revenue represents amounts due from patients who would otherwise qualify for charity benefits, but do not respond to attempts to obtain the necessary financial information. The cost of providing these services is not included in the charity care amounts disclosed above.

To support its mission to improve the health of the communities it serves, Carilion continues to work with key partners in its service area to respond to the findings of the Carilion-led Roanoke Community Health Needs Assessment (the "Assessment"). The Assessment was designed to examine the needs of the community and to identify appropriate solutions to these needs. The Assessment findings focused on three priority areas: (1) access to services, (2) coordination of care, and (3) wellness. Working with community partners, these priorities were used to identify goals and strategies that will help improve the health for residents of communities served by Carilion. Carilion assisted and is participating with similar assessments in communities it serves outside of the Roanoke Valley.

On an ongoing basis, Carilion operates emergency rooms open 24 hours per day, seven days a week, sponsors community health screenings and educational classes, and promotes health and provides preventive care through partnerships with schools, community centers, and medical clinics in underserved areas. Carilion also provides facilities and subsidizes operations to train medical personnel through support of the Jefferson College of Health Sciences and the Virginia Tech Carilion School of Medicine.

3. NET PATIENT SERVICE REVENUE

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

Medicare — Inpatient acute care services and exempt rehabilitation services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge for all hospitals, except CGCH and CSJH, which are reimbursed based on reasonable cost. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. When the estimated cost of treatment for certain patients is higher than the average, Carilion receives additional "outlier" payments. Inpatient nonacute services and defined medical education costs related to Medicare beneficiaries are paid based on a cost reimbursement methodology. Certain outpatient service costs related to Medicare beneficiaries are paid based on a cost reimbursement methodology, subject to certain limitations. Pursuant to federal legislation, the Medicare program makes payments for outpatient services on a prospective basis for certain hospitals of Carilion. This payment system classifies outpatient procedures into predetermined groups, Ambulatory Payment Classifications (APCs), with each APC having a predetermined payment amount. Capital costs are paid on a prospective basis based on a predetermined rate per discharge. Carilion is paid for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. The Medicare fiscal intermediary has audited and final settled the

Medicare cost reports for CMC through September 30, 2008, for CNRV and CFMH through September 30, 2009, for CTCH through September 30, 2011, and for CGCH and CSJH through September 30, 2012 However, cost reports are subject to reopening for three years from the date of final settlement

Medicaid — Inpatient acute care services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors Through December 31, 2013 outpatient services and certain other costs were reimbursed based on a percentage of reasonable cost Effective January 1, 2014 outpatient costs are reimbursed on a blended rate, transitioned over four years, of outpatient costs and Enhanced Ambulatory Patient Groups (EAPGs) EAPGs are an outpatient visit classification system which places patients and services into clinically coherent groups Carilion is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by Medicaid All hospitals' Medicaid cost reports have been final settled through September 30, 2013

Laws and regulations governing the Medicare and Medicaid programs are 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 The effect of settlement adjustments was not material to the consolidated statements of operations for the years ended September 30, 2014 and 2013

Anthem — Services rendered to Anthem subscribers are paid at prospectively determined rates These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors

Carilion also has agreements with Medicare, Medicaid, and Anthem to provide physician services, which are primarily reimbursed based on established fee schedules and/or predetermined percentages of covered charges, within certain limitations, and are not subject to retroactive adjustment

In addition, Carilion has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, preferred provider organizations, and other third-party payors The basis for payment to Carilion under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined rates

Net patient service revenue for the years ended September 30, 2014 and 2013, is summarized as follows

	2014	2013
Third-party payors	$1,324,519	$1,251,601
Self pay	118,937	94,492
Patient service revenue — net of contractual allowances and discounts	1,443,456	1,346,093
Provision for bad debts	(115,030)	(90,044)
Net patient service revenue	$1,328,426	$1,256,049

4. INVESTMENTS AND ASSETS WHOSE USE IS LIMITED

Carilion combines its investments in a system-wide investment pool, which includes investments and assets whose use is limited BMH's investments totaling $5,651 and assets whose use is limited totaling $11,144 as of September 30, 2013, are also included in the investment pool The carrying values of the components of the system-wide investment pool at September 30, 2014 and 2013, are summarized as follows

	2014	2013
Investments	$ 162,415	$ 113,279
Assets whose use is limited	889,309	807,949
	$ 1,051,724	$ 921,228

The assets in the system-wide investment pool at September 30, 2014 and 2013, are summarized as follows

	2014	2013
Short-term money market investments	$ 14,371	$ 3,834
Domestic common stocks	54,533	78,966
Mutual funds		
Fixed income	184,981	149,133
Global equity	69,598	59,065
Multi-strategy	37,556	116,057
International equity	142,651	112,963
Alternative investments (Note 1)		
Core hedge funds	232,603	130,135
Low volatility hedge funds	6,975	9,381
Real estate limited partnerships	105,756	95,395
Inflation sensitive funds	34,155	28,794
Macro trading funds	28,174	23,249
Private equity limited partnerships and limited liability corporations	34,667	35,771
Total investment pool	946,020	842,743
Less amounts held for BMH		(16,795)
Total investment pool — net of amounts held for BMH	946,020	825,948
Assets whose use is limited under interest rate swap agreements	8,589	268
Assets held by BRIC	30,132	33,984
Assets whose use is limited under deferred compensation arrangements	54,475	37,233
Assets on deposit with regulatory authorities	2,000	2,000
Assets held by CCMR	10,508	5,000
Investments and assets whose use is limited	$ 1,051,724	$ 904,433

At September 30, 2014, Carilion was committed to invest an additional $23,024 in limited partnership funds at an unspecified future date There were no other unfunded investment commitments at September 30, 2014

The fair values of Carilion's assets whose use is limited at September 30, 2014 and 2013, are summarized as follows

	2014	2013
Assets whose use is limited under board designations	$794,113	$723,320
Assets whose use is limited under interest rate swap agreements	8,589	268
Assets whose use is limited for BRIC	30,132	33,984
Assets whose use is limited under deferred compensation arrangements	54,475	37,233
CCMR assets on deposit with regulatory authorities	2,000	2,000
Assets whose use is limited	$889,309	$796,805

Investment income for the years ended September 30, 2014 and 2013, is summarized as follows

	2014	2013
Dividends and interest	$ 14,012	$ 11,000
Net realized gains on investments	42,828	9,680
Net change in unrealized gains in investments	13,163	61,403
Equity in earnings and gain on sale of affiliates	20,018	1,002
Net realized and unrealized (losses) gains on interest rate swaps	(11,164)	40,002
Investment income	$ 78,857	$123,087

5. PROPERTY AND EQUIPMENT — NET

Property and equipment — net at September 30, 2014 and 2013, consists of the following

	2014	2013
Land and improvements	$ 41,503	$ 40,936
Buildings and fixed equipment	931,886	913,664
Movable equipment	745,972	780,210
	1,719,361	1,734,810
Less accumulated depreciation and amortization	(1,139,138)	(1,152,956)
	580,223	581,854
Construction in progress	19,280	6,821
Property and equipment — net	$ 599,503	$ 588,675

Depreciation expense totaled $74,324 and $74,412 for the years ended September 30, 2014 and 2013, respectively

Unexpended contractual commitments for projects under construction at September 30, 2014 and 2013, approximated $0 and $2,599, respectively

6. EQUITY INVESTMENTS IN AFFILIATES

As described in Note 1, Carilion had a 50% interest in BMH under a joint ownership agreement with Centra that was accounted for under the equity method Carilion's investment in BMH was $7,870 at September 30, 2013, and is included in other assets in the accompanying consolidated balance sheet On June 30, 2014, Carilion sold its 50% equity interest in BMH to Centra and recognized a related gain of $5,209, which is included in investment income in the accompanying consolidated statement of operations for the year ended September 30, 2014

At September 30, 2014 and 2013, Carilion owned approximately 14 9% and 15 5%, respectively, of the common stock of Luna Innovations, Inc ("Luna"), which is accounted for under the equity method, as well as certain other interests in convertible preferred stock and warrants Carilion's equity method investment in Luna was reduced to zero through equity method losses during fiscal year 2009 Carilion has not recorded an asset for any of its interests in Luna at September 30, 2014 and 2013, due to Luna's continued operating and cash flow losses

As of September 30, 2013, Carilion owned 90 3% of the common units outstanding of Laboratory Group Holding, LLC (LGH) The remaining equity interests in LGH included preferred units held primarily by a private equity investor Both the common units and the preferred units were nonvoting Carilion's investment in LGH was accounted for under the equity method as it had the ability to exercise significant influence over the entity through its right to appoint three of nine members of LGH's board of managers, but did not have a controlling financial interest The carrying amount of Carilion's investment in LGH was reduced to zero through equity method losses in fiscal year 2011 In May 2014, Carilion divested itself of the common units it held in LGH Carilion recognized a $14,000 gain on the sale of its common units, which is included in investment income in the accompanying consolidated statement of operations for the year ended September 30, 2014

7. NET ASSETS

A summary of changes in consolidated unrestricted net assets attributable to Carilion Clinic and subsidiaries and to the noncontrolling interest for the year ended September 30, 2014, is as follows

	Total	Carilion Clinic and Subsidiaries	Noncontrolling Interests
Balance — beginning of year	$ 580,013	$ 576,532	$3,481
Excess of unrestricted revenues and gains over expenses	116,651	115,984	667
Pension-related changes other than net periodic pension cost	(137,401)	(137,401)	
Pension-related changes other than net periodic pension cost related to noncontrolling interest	97		97
Distribution to Stonewall Jackson Community Health Foundation and other	(195)		(195)
Net assets released from restrictions for purchases of property and equipment	26	26	
Balance — end of year	$ 559,191	$ 555,141	$4,050

A summary of changes in consolidated unrestricted net assets attributable to Carilion Clinic and subsidiaries and to the noncontrolling interest for the year ended September 30, 2013, is as follows

	Total	Carilion Clinic and Subsidiaries	Noncontrolling Interests
Balance — beginning of year	$264,442	$261,649	$2,793
Excess of unrestricted revenues and gains over expenses	142,984	142,021	963
Pension-related changes other than net periodic pension cost	172,643	172,643	
Pension-related changes other than net periodic pension cost related to noncontrolling interest	23		23
Distribution to Stonewall Jackson Community Health Foundation and other	(298)		(298)
Net assets released from restrictions for purchases of property and equipment	219	219	
Balance — end of year	$580,013	$576,532	$3,481

8. LONG-TERM DEBT

Long-term debt at September 30, 2014 and 2013, consists of the following

	2014	2013
Hospital Revenue Bonds — Series 2012 — Serial Bonds, 3.0% to 5.0% fixed rate interest, maturing from 2015 to 2030	$ 73,475	$ 75,578
Hospital Revenue Bonds — Series 2010 — Term Bonds, 5.0% fixed rate interest, maturing from 2021 to 2033	95,740	95,740
Hospital Revenue Bonds — Series 2008A — Variable Rate Bonds, variable rate interest (.16% at September 30, 2014), maturing from 2027 to 2042	50,000	50,000
Hospital Revenue Bonds — Series 2008B — Variable Rate Bonds, variable rate interest (.16% at September 30, 2014), maturing from 2027 to 2042	110,000	110,000
Hospital Revenue Bonds — Series 2005A — Variable Rate Bonds, variable rate interest (.16% at September 30, 2014), maturing from 2028 to 2036	123,110	123,110
Hospital Revenue Bonds — Series 2005B — Serial Bonds, 3.0% to 5.0% fixed rate interest, maturing from 2015 to 2020	21,950	24,705
Hospital Revenue Bonds — Series 2005B — Term Bonds, 4.375% to 5.0% fixed rate interest, maturing from 2026 to 2038	65,310	65,310
Hospital Revenue Bonds — Series 2005C — Serial Bonds, 5.0% fixed rate interest, maturing from 2015 to 2020	16,530	18,201
Hospital Revenue Bonds — Series 2005C — Term Bonds, 4.0% to 5.0% fixed rate interest, maturing from 2024 to 2027	28,240	26,039
Other long-term debt	17,103	19,619
	601,458	608,302
Unamortized bond premium	15,928	17,751
Scheduled payments due within one year	(12,766)	(13,126)
Additional current portion of Series 2008A and B Bonds		(16,000)
Additional current portion of Series 2005A Bonds		(12,311)
Long-term debt — net of current portion	$604,620	$584,616

Each member of the Obligated Group is jointly and severally liable for the repayment of the principal and interest as they become due on the Hospital Revenue Bonds (collectively, the "Bonds"), including $3,740 of the Series 2005C Bonds and $2,982 of the Series 2012 Bonds that were previously allocated to BMH and, thus, were not included in Carilion's consolidated balance sheet as of September 30, 2013

As described in Note 1, BMH withdrew from the Obligated Group on June 30, 2014 At that time, Carilion and the remaining members of the Obligated Group entered into a Debt Service and Guaranty Agreement with BMH, guaranteed by Centra, to provide for the payments to Carilion for the debt service on the portions of the Series 2005C Bonds and the Series 2012 Bonds that were previously allocated to BMH Accordingly, Carilion has recorded debt of $6,233 for the portions of the Series 2005C and 2012 Bonds that were previously allocated to BMH and a corresponding receivable due from BMH of $494 in accounts receivable and $5,739 in other assets on the accompanying consolidated balance sheet as of September 30, 2014

The Bonds are governed by a Master Trust Indenture (the "Indenture"), as amended and restated, by and among the members of the Obligated Group and U S Bank (the "Master Trustee") The repayment of principal and interest on the Series 2005A, B, and C Bonds is guaranteed by a municipal bond insurance policy

The Bonds are collateralized by a pledge of revenues of the Obligated Group, and the Master Trustee holds a security interest in the gross receipts of the Obligated Group During 2010, a deed of trust was established for the benefit of the Master Trustee to secure all current and future obligations issued under the Indenture with substantially all land, buildings, and fixtures of CMC The deed of trust is supported by $45,000 of title insurance acquired by CMC In addition, CNRV has pledged that it will not create, or permit to exist, a lien against its land, buildings, and fixtures

At September 30, 2013, the Series 2008A and 2008B Bonds and Series 2005A Bonds were variable rate demand obligations that were remarketed daily Accordingly, Carilion included $16,000 of the Series 2008A and 2008B Bonds and $12,311 of the Series 2005A Bonds within the current portion of long-term debt as of September 30, 2013, to reflect the principal that would be payable during fiscal year 2014 under the related standby bond purchase agreements and letters of credit if the bonds were tendered for purchase as of the balance sheet date and not remarketed

In March 2014, the Obligated Group tendered the Series 2008A and 2008B Bonds, terminated the related letters of credit and standby bond purchase agreements, and entered into direct purchase agreements with two financial institutions for those bonds in the aggregate principal amount of $50,000 and $110,000, respectively During the term of the direct purchase agreements, the bonds bear interest at 67% of 1 month LIBOR and are not puttable The direct purchase agreements expire in March 2017

In April 2014, the Obligated Group tendered the Series 2005A Bonds, terminated the related letter of credit and standby bond purchase agreement, and entered into a direct purchase agreement with a financial institution for those bonds in the aggregate principal amount of $123,110 During the term of the direct purchase agreement, the bonds bear interest at 67% of 1 month LIBOR and are not puttable The direct purchase agreement expires in April 2017

Carilion intends to renew or replace the direct purchase agreements for the Series 2008A, 2008B, and 2005A bonds on or before their expiration In the event the agreements are not renewed or replaced, the debt will become due at that time

The aggregate principal maturities of long-term debt, including amounts due upon expiration of the direct purchase agreements in fiscal year 2017, are as follows

Years Ending September 30	
2015	$ 12,766
2016	13,360
2017	297,066
2018	14,214
2019	14,341
Thereafter	249,711
	$601,458

Sinking Fund Requirements — The Series 2012 Bonds are subject to mandatory annual sinking fund requirements through 2030 in varying amounts ranging from $1,325 to $8,705 The Series 2010 Bonds are subject to mandatory annual sinking fund requirements beginning in 2021 through 2033 in varying amounts ranging from $5,025 to $13,435 The Series 2008A and 2008B Bonds are subject to mandatory annual sinking fund requirements beginning in 2027 through 2042 in varying amounts ranging from $425 to $32,870 The Series 2005A, B, and C Bonds are subject to mandatory annual sinking fund requirements through 2038 in varying amounts ranging from $2,570 to $22,355

Debt Service Reserve Fund — The Obligated Group is required to maintain with the Master Trustee a debt service reserve fund to secure all obligations under the Indenture in the event that (a) the Obligated Group's days' cash on hand falls below 120 days at any semiannual test date or (b) the Obligated Group's long-term debt service coverage ratio is below 1 40 for fiscal year 2013 and thereafter The debt service reserve fund amount, if required, would be equal to the maximum annual debt service for the obligations then outstanding under the Indenture and must be deposited within 90 days of the applicable test date or constitute an event of default under the Indenture, unless such requirement is waived by the bond insurers

Debt Covenants — The Obligated Group is subject to certain covenants under the Indenture, the municipal bond insurance policies, and the direct purchase agreements that, among other covenants, place restrictions on the members of the Obligated Group relative to operating ratios, the incurrence of additional indebtedness, and limitations on transfers of cash and investments from the Obligated Group The Indenture requires that the Obligated Group, among other covenants, maintain a debt-to-capitalization ratio of not more than 65% for fiscal year 2013 and thereafter The Obligated Group has maintained compliance with these covenants as of and during the years ended September 30, 2014 and 2013

Interest Rate Swap Agreements — At September 30, 2014 and 2013, Carilion had interest rate swap agreements with financial institutions to hedge a portion of the interest rate risk related to certain Hospital Revenue Bonds Under the terms of the interest rate swap agreements in place at September 30, 2014, Carilion receives and pays interest based on the following

Current Notional Amount (in thousands)	Hedged Bonds	Maturity Date	Type of Derivative	Pay Rate	Receive Rate	Collateral Posting Threshold
$62,500	2005A	2036	Fixed payor	3 43%	67% 1m LIBOR(1)	
62,500	2005A	2036	Fixed payor	3 43%	67% 1m LIBOR(1)	
62,500	2008A B	2042	Fixed payor	3 29%	67% 1m LIBOR(1)	10,000
62,500	2008A B	2042	Fixed payor	3 29%	67% 1m LIBOR(1)	10,000
68,181	2005B-C, 2010	2038	Basis swap	SIFMA Municipal Swap Index (3)	67% 3m LIBOR + 0 57% (2)	
92,783	2005B-C, 2010	2038	Basis swap	SIFMA Municipal Swap Index (3)	67% 3m LIBOR + 0 62% (2)	
60,000	unassigned	2034	Basis swap	SIFMA Municipal Swap Index (3)	67% 3m LIBOR + 0 65% (2)	

(1) The 1m LIBOR was 16% and 18% at September 30, 2014 and 2013, respectively
(2) The 3m LIBOR was 24% and 25% at September 30, 2014 and 2013, respectively
(3) The SIFMA Municipal Swap Index was 04% and 07% at September 30, 2014 and 2013, respectively

At September 30, 2014 and 2013, the Obligated Group posted $8,589 and $268, respectively, in collateral as part of the fixed payor swap agreements associated with the Series 2008 bonds (see Note 4) The Obligated Group is required to post collateral once the collateral threshold of $10,000 is exceeded The posted amount is equal to the current valuation of the respective swap agreements minus the collateral threshold

The basis interest rate swap used to hedge a portion of the interest rate risk on the Series 2002A Bonds was terminated in January 2014 Carilion received $662 from the counterparties

The fixed payor interest rate swap used to hedge a portion of the interest rate risk on the Series 2005C Bonds was terminated in September 2014 Carilion paid $2,326 to the counterparty in September 2014

The fixed payor interest rate swap used to hedge a portion of the interest rate risk on the Series 2005B Bonds was terminated in September 2014 Carilion paid $6,680 to the counterparty on October 1, 2014, the total of which is included in other current liabilities in the accompanying consolidated balance sheet

The estimated fair values of the interest rate swap agreements at September 30, 2014 and 2013, are as follows

	Fair Value of Asset Derivatives		Fair Value of Liability Derivatives		Amount of (Loss) Gain Recognized	
Type of Derivative	2014	2013	2014	2013	2014	2013
Fixed payor	$ -	$ -	$ 52,932	$ 47,986	$ (13,515)	$ 42,968
Basis swap	2,719	1,050		81	2,351	(2,966)
	$ 2,719	$ 1,050	$ 52,932	$ 48,067	$ (11,164)	$ 40,002

9. EMPLOYEE BENEFIT PLANS

Carilion maintains a funded, defined benefit pension plan (the "Plan"), which covers substantially all employees of Carilion The benefits are based on years of service and the employee's highest average of total earnings for five consecutive Plan years or the employee's compensation during 5 of the last 10 years of employment Carilion contributes to the Plan annually based on actuarially determined funding guidelines Contributions are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future

Carilion maintains two nonqualified pension plans, a restoration plan for key members of management, and a supplemental plan for certain retired employees of CMC Net periodic pension cost for the nonqualified plans was $1,238 and $1,925 for the years ended September 30, 2014 and 2013, respectively The net pension liability for the plans was $8,142 and $5,049 as of September 30, 2014 and 2013, respectively, and is included in pension and other liabilities in the accompanying consolidated balance sheets

The amounts reported in the accompanying consolidated financial statements related to Carilion's defined benefit plans reflect the net periodic pension cost, pension-related changes other than net periodic pension cost, and the funded status of the three plans described above, excluding amounts related to employees of BMH, as applicable as of September 30, 2013

The Plan's change in benefit obligation, change in plan assets, current funded status, components of net periodic benefit cost, and pension-related changes other than net periodic pension cost as of and for the years ended September 30, 2014 and 2013, are as follows

	2014	2013
Change in benefit obligation		
Benefit obligation — beginning	$ 832,260	$ 908,387
Assumption changes	120,844	(129,439)
Service cost	33,641	39,182
Interest cost	44,455	39,827
Actuarial loss (gain)	27,965	(5,117)
Effect of acquisitions		214
Benefit payments	(22,894)	(20,794)
Benefit obligation — ending	$ 1,036,271	$ 832,260
Change in plan assets		
Fair value of plan assets — beginning	$ 637,316	$ 552,659
Actual return on plan assets	48,550	56,495
Employer contributions	44,000	48,956
Benefit payments	(22,894)	(20,794)
Fair value of plan assets — ending	$ 706,972	$ 637,316
Funded status	$ (329,299)	$ (194,944)
Components of net periodic pension cost		
Service cost	$ 33,641	$ 39,182
Interest cost	44,455	39,827
Expected return on plan assets	(48,263)	(44,536)
Prior service benefit recognized	12	58
Amortization of actuarial losses	14,002	28,489
Net periodic pension cost	$ 43,847	$ 63,020
Other changes in plan assets and benefit obligations not yet recognized in net periodic pension cost		
Net loss (gain) arising during the period	$ 148,522	$ (146,515)
Effect of acquisitions		214
Amortization of loss	(14,002)	(28,489)
Amortization of prior service credit	(12)	(58)
Pension-related changes other than net periodic pension cost	$ 134,508	$ (174,848)
Total recognized in net periodic pension cost and other pension-related changes	$ 178,355	$ (111,828)

The accumulated benefit obligation was $935,577 and $745,059 at September 30, 2014 and 2013, respectively

Carilion's portion of the Plan liability, net of the liability recorded by BMH, was $190,190 as of September 30, 2013, and is included in pension and other liabilities in the accompanying consolidated balance sheet Carilion's portion of net periodic pension cost, net of the cost recorded by BMH, was $61,564 as of September 30, 2013, and is included in benefits in the accompanying consolidated statement of operations As part of the BMH sale, Carilion assumed the pension liability for BMH employees who were vested at the time of the sale, with their benefits being frozen as of June 30, 2014 The portion of the Plan liability attributable to these BMH employees is $8,031 as of September 30, 2014, and is included in pension and other liabilities in the accompanying consolidated balance sheet

During 2014 and 2013, Carilion contributed $44,000 and $48,956, respectively, to the Plan Carilion expects to contribute approximately $60,000 to the Plan in fiscal year 2015

Amounts recognized as changes in unrestricted net assets, but not yet reclassified as components of net periodic pension cost for the pension plans at September 30, 2014, consist of net loss and prior service cost of $352,185 and $759, respectively

The estimated net loss and prior service cost recognized as changes in unrestricted net assets that will be amortized to net periodic pension cost over the next fiscal year are $25,422 and $12, respectively

Significant assumptions used in determining the actuarial present value of the projected benefit obligation of the Plan for the years ended September 30, 2014 and 2013, are as follows

	2014	2013
Weighted-average discount rate	4 6 %	5 4 %
Expected long-term rate of return on assets	7 7	7 7
Rate of compensation increase	3 0	3 0

The weighted-average discount rates used to determine net periodic pension cost for the years ended September 30, 2014 and 2013, were 5 4% and 4 4%, respectively

The investment policy for the Plan is structured to maintain a diversified portfolio of equity securities, debt securities, cash equivalents, and alternative investment strategies, including real estate, private equity, fund-of-fund hedge funds, and global trading The structure is designed to reduce risk and generate absolute returns in various market conditions The portfolio is rebalanced periodically throughout the year

Plan assets include Level 3 alternative investments of $249,770 and $193,563 at September 30, 2014 and 2013, respectively (see Note 16)

Carilion's overall expected long-term rate of return on assets is 7 7% The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories The expected long-term rate of return reflects management's estimate of future returns for the target asset allocation and is based primarily on historical returns The Plan's target allocation for 2014 and plan asset allocation at September 30, 2014 and 2013, is as follows

Asset Category	Target Allocation 2014	Percentage of Plan Assets at September 30, 2014	Percentage of Plan Assets at September 30, 2013
Equity securities	30 %	33 %	32 %
Hedge funds	10	15	22
Fixed-income securities	30	28	22
Inflation sensitive	15	18	21
Other investments	15	6	3
	100 %	100 %	100 %

The Plan benefits expected to be paid in fiscal years 2015 to 2019 are $28,629, $32,235, $36,671, $40,902, and $44,933, respectively The aggregate benefits expected to be paid in five years from 2020 to 2024 are $286,774 The expected benefits are based on the same assumptions used to measure Carilion's benefit obligation at September 30 and include estimated future employee service

Carilion also maintains three defined contribution retirement plans, which cover substantially all Carilion employees The plans qualify under Section 403(b) or Section 401(k) of the IRC

Carilion has several nonqualified deferred compensation plans for certain members of management and physicians to defer a portion of their compensation until retirement The deferred amounts are invested in accordance with the participant's designation The deferred compensation liability of $54,475 and $37,233 as of September 30, 2014 and 2013, respectively, is included in pension and other liabilities in the accompanying consolidated balance sheets Carilion has placed certain assets in a rabbi trust to be used to pay benefits to certain deferred compensation plan participants The carrying amount of the trusteed assets was $54,475 and $37,233 as of September 30, 2014 and 2013, respectively, and is included in assets whose use is limited in the accompanying consolidated balance sheets Plan assets consist of investments in fixed-income mutual funds, domestic equity mutual funds, and international equity mutual funds (see Note 4)

10. OTHER OPERATING REVENUE

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

	2014	2013
Grants to reimburse operating costs	$ 6,508	$ 8,078
Rental revenue	4,876	4,838
College revenue	23,462	21,777
Athletic clubs revenue	5,222	4,897
In-kind contributions to Virginia Tech Carilion School of Medicine	1,628	1,714
Laundry services	567	828
Management services to equity affiliates	3,797	5,171
Collection services income	5,020	5,434
Cafeteria sales	3,546	3,289
EHR meaningful use revenues	5,713	10,885
Medical supplies and services	23,051	18,324
Medicare Advantage plan premium revenue	6,413	22,246
Medicaid managed care plan premium revenue	52,112	50,542
Other	20,094	17,708
Total	$ 162,009	$ 175,731

Other includes revenue from gift shop sales, management services, health care-related equity interests, and various health care services provided on a contract basis

11. INCOME TAXES

Due to the losses incurred by Carilion's taxable subsidiaries, there was no income tax expense or benefit for the years ended September 30, 2014 and 2013 The primary differences between the expected income tax benefit at the statutory federal rate with the reported income tax benefit for the years ended September 30, 2014 and 2013, were due to the effect of state income taxes and the changes in the balance of the valuation allowance for deferred tax assets Deferred income taxes at September 30, 2014 and 2013, relate to temporary differences in the asset and liability basis for financial and income tax reporting purposes and were calculated at income tax rates currently in effect Temporary differences have primarily resulted from differences in the accounting for allowances for accounts and notes receivable, accrued expenses, depreciation, and net operating losses

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax-planning strategies in making this assessment Based upon the level of historical taxable losses and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that Carilion will not realize the benefits of these deductible differences and loss carry forwards in excess of the amount that can be offset by the reversal of future taxable items Accordingly, at September 30, 2014 and 2013, the net deferred tax asset has been reduced to zero by a valuation allowance

At September 30, 2014, CHSI and its subsidiaries had net operating loss carry forwards of approximately $328,079 which expire on various dates from 2018 to 2034

12. FUNCTIONAL EXPENSES

Carilion provides various health care services to patients within its geographic location Expenses related to providing these services for the years ended September 30, 2014 and 2013, are as follows

	2014	2013
Health care services	$1,199,543	$1,164,606
General and administrative	238,930	249,153
	$1,438,473	$1,413,759

13. CONCENTRATION OF CREDIT RISK

Carilion provides health care services through its inpatient and outpatient care facilities located primarily in southwest Virginia The facilities grant credit to patients, substantially all of whom are local residents The facilities generally do not receive collateral or other security in extending credit to patients, however, they routinely obtain assignment of patients' benefits payable under their health insurance programs, plans, or policies The mix of receivables from patients and third-party payors at September 30, 2014 and 2013, is as follows

	2014	2013
Medicare	36 %	35 %
Medicaid	15	13
Anthem	13	13
Other third-party payors	17	20
Patients	19	19
	100 %	100 %

14. COMMITMENTS AND CONTINGENCIES

Litigation — Carilion is involved in litigation arising in the ordinary course of business It is the opinion of management and Carilion's legal counsel that these cases will be resolved without material effect on Carilion's consolidated financial position, results of operations, or cash flows

Other Industry Risks — The health care industry is subject to numerous laws and regulations of federal, state, and local governments These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for amounts previously received for patient services Carilion believes it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing that would have a material impact on its financial position or results of operations Compliance with these and other laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time

The Patient Protection and Affordability Care Act of 2010 (the "Reform Legislation"), a comprehensive health care reform bill, mandates that substantially all US citizens maintain medical insurance coverage The Reform Legislation expands health insurance coverage through a combination of public program expansion and private sector health insurance reforms The Reform Legislation also makes a number of other changes to Medicare and Medicaid, such as reductions to the Medicare annual market basket update for federal fiscal years 2010 through 2019, a productivity offset to the Medicare market basket update, which began October 1, 2011, and a reduction to the Medicare and Medicaid disproportionate share payments, that could adversely impact the reimbursement received under these programs Also included in the Reform Legislation are provisions aimed at reducing fraud, waste, and abuse in the health care industry These provisions allocate significant additional resources to federal enforcement agencies and expand the use of private contractors to recover potentially inappropriate Medicare and Medicaid payments The legislation is complex and is being phased in over several years Management continues to evaluate the impact of the Reform Legislation and its impact on Carilion's consolidated financial position, results of operations, and cash flows

Lease Commitments — Certain Carilion entities are parties to operating leases for various property and medical and other equipment Lease expense was approximately $6,540 and $6,303 for the years ended September 30, 2014 and 2013, respectively, and is included in supplies and other expenses in the accompanying consolidated statements of operations

A schedule of future minimum lease payments under operating leases at September 30, 2014, is as follows

Years Ending September 30	Amount
2015	$3,373
2016	2,093
2017	692
2018	354
2019	138
Thereafter	695
Total	$7,345

Virginia Tech Carilion School of Medicine and Research Institute — In 2008, Carilion and Virginia Polytechnic Institute and State University ("Virginia Tech") entered into a memorandum of understanding (MOU) agreement to establish and fund a portion of the costs related to a medical school (the "Virginia Tech Carilion School of Medicine" or the "Medical School") and a research institute (the "Virginia Tech Carilion Research Institute" or the "Research Institute") in order to address long-term regional health care needs and advance medical research in southwest Virginia Under the MOU agreement, as amended, Carilion agreed to contribute up to $35,000 to fund start-up costs for the Medical School and up to $2,000 annually (subject to adjustment based on the Consumer Price Index) to fund operating deficits of the Medical School The MOU agreement will expire on June 22, 2016 unless extended by mutual agreement of the parties

Carilion's commitments to fund start-up costs and operating deficits under the MOU agreement was unconditional through June 30, 2014, at which time the MOU would terminate if the Medical School had not received accreditation As of September 30, 2013, Carilion had recognized other current liabilities of $2,534 and $1,575 for the unconditional portion of start-up and operating deficit funding,

respectively, expected to be paid through June 30, 2014 The remaining unrecognized portion of Carilion's conditional commitment to fund start-up costs after June 30, 2014, was $13,300 as of September 30, 2013

The Medical School received accreditation in June 2014 and met other factors set forth in the MOU Accordingly, during fiscal year 2014, Carilion recorded contribution expense for the remaining start-up costs up to $35,000 and the expected operating deficit funding expected to be paid through June 22, 2016, the current expiration date of the MOU agreement The total contribution expense recognized for the year ended September 30, 2014 is $16,773 and is included in other nonoperating loss in the accompanying consolidated statement of operations

At September 30, 2014, Carilion recorded other current liabilities of $6,311 and other long-term liabilities of $10,452 related to these obligations

15. SELF-INSURANCE LIABILITIES

Employee Health — Carilion offers subsidized health and dental insurance to its employees through a self-insured plan The related liabilities are not material to Carilion's consolidated financial statements

Workers' Compensation — Carilion is self-insured for workers' compensation liability up to the first $500 per accident and has excess coverage up to applicable statutory limits on a claims-made basis The related liabilities are not material to Carilion's consolidated financial statements

Medical Malpractice — Carilion is self-insured for medical malpractice losses through its wholly owned subsidiary BRIC BRIC is licensed as a captive insurance company by the Vermont Commissioner of Banking, Insurance, Securities, and Health Care Administration, pursuant to the provisions of the Vermont Statutes Annotated, and provides first-dollar coverage on a claims-made basis, with limits of $52,150 per loss or medical incident and $68,000 in the annual aggregate for professional and general liabilities Through various independent carriers, BRIC carries reinsurance coverage of up to $50,000 per each loss or medical incident and in the annual aggregate, excess of a limit up to $2,150 per loss or medical incident and $18,000 in the annual aggregate

Policies on a claims-made basis must be renewed or replaced with equivalent insurance, if claims incurred during their term, but asserted after their expiration, are to be insured Carilion has employed independent actuaries to estimate the ultimate costs, if any, of the settlement of claims that have been incurred but not reported The liability for medical malpractice losses, discounted at 4%, was $37,718 and $34,293 as of September 30, 2014 and 2013, respectively, and is included in other current liabilities in the accompanying consolidated balance sheets In the opinion of management, adequate liabilities for medical malpractice claims have been established The consolidated statement of operations for the year ended September 30, 2014 reflects a change in estimate in the accrued cost to settle malpractice claims of approximately $4,420, primarily due to unfavorable development and settlement of historical outstanding claims Such change is included in supplies and other expenses

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

In accordance with U S GAAP, certain assets and liabilities are required to be measured at fair value on a recurring basis For Carilion, the assets and liabilities that are adjusted at fair value on a recurring basis are investments, assets whose use is limited, and interest rate swap agreements

U S GAAP defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in

an orderly transaction between market participants at the measurement date Additionally, the inputs used to measure fair value are prioritized based on a three-level hierarchy This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs The three levels of inputs used to measure fair value are as follows

Level 1 — Valuations based on unadjusted quoted prices for identical instruments in active markets that are available as of the measurement date

Level 2 — Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly

Level 3 — Valuations based on inputs that are unobservable and significant to the overall fair value measurement

Transfers between Levels — The availability of market observable data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy Changes in economic conditions or valuation methodologies may require the transfer of financial instruments from one fair value hierarchy level to another In such instances, the transfer would be reported at the beginning of the reporting period Carilion evaluates the significance of transfers based on the nature of the financial instrument and the size of the transfer There were no transfers of investments between levels for the years ending September 30, 2014 and 2013

Investments and Assets Whose Use Is Limited — Valuations classified as Level 1 include short-term money market investments, common stocks, and publicly traded mutual funds for which unadjusted quoted market prices for identical securities are available as of the measurement date Valuations classified as Level 2 include short-term investments, such as certain money market funds, certificates of deposit, and U S government agency securities, for which fair values are determined based on observable inputs Carilion did not have any investments measured using Level 2 inputs as of September 30, 2014 and 2013 Valuations classified as Level 3 include alternative investments, for which fair values are determined based on inputs that are unobservable and significant to the overall fair value measurement (see Note 1)

The fair value hierarchy classification of assets in the system-wide investment pool and assets whose use is limited at September 30, 2014, is summarized in the table below

	Fair Value Measurement at September 30, 2014			
	September 30, 2014	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Short-term money market investments	$ 14,371	$ 14,371	$ -	$ -
Mutual funds	434,786	434,786		
Domestic equity securities	54,533	54,533		
Alternative investments (Note 1)	442,330			442,330
Assets whose use is limited				
Short-term money market and treasury investments	28,439	28,439		
Debt and equity mutual funds	75,265	75,265		
Assets on deposit with regulatory authorities	2,000	2,000		
Total	$1,051,724	$609,394	$ -	$442,330

The fair value hierarchy classification of assets in the system-wide investment pool and assets whose use is limited at September 30, 2013, is summarized in the table below

	Fair Value Measurement at September 30, 2013			
	September 30, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Short-term money market investments	$ 3,834	$ 3,834	$ -	$ -
Mutual funds	437,218	437,218		
Domestic equity securities	78,966	78,966		
Alternative investments (Note 1)	322,725			322,725
Assets whose use is limited				
Short-term money market and treasury investments	16,744	16,744		
Debt and equity mutual funds	59,741	59,741		
Assets on deposit with regulatory authorities	2,000	2,000		
Total	$921,228	$598,503	$ -	$322,725

The table below discloses the redemption frequency and redemption notice period for each applicable investment class as of September 30, 2014 and 2013, for which fair value is measured using the reported NAV per share of the investment Such investments are classified within Level 3 of the fair value hierarchy because they cannot be redeemed by Carilion at the reported NAV as of the measurement date but, rather, are subject to the redemption frequency and notice periods described in the table below

	2014	2013	Redemption Frequency	Redemption Notice Period
Core hedge funds	$ 134,791	$ 41,429	Quarterly	45–91 days
Core hedge funds	97,812	88,706	Annually/Quarterly	90-105 days
Low volatility hedge funds	6,975	9,381	Scheduled liquidation	N/A
Private equity funds	34,667	35,771	N/A	N/A
Real estate funds	105,756	95,395	Quarterly	45–60 days
Inflation sensitive funds	34,155	28,794	Monthly	10 days
Macro trading funds	28,174	23,249	Quarterly	90 days
Total	$442,330	$322,725		

Pension Plan Assets — The fair value hierarchy classification of pension plan assets at September 30, 2014 and 2013, is summarized in the tables below

	Fair Value Measurement at September 30, 2014			
	September 30, 2014	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Short-term money market investments	$ 6,267	$ 6,267	$ -	$ -
Common stocks	44,901	44,901		
Mutual funds				
Fixed income	199,994	199,994		
Global equity	184,380	184,380		
Multi-strategy	21,660	21,660		
Alternative investments (Note 1)				
Private equity securities	38,654			38,654
Core hedge funds	98,598			98,598
Low volatility hedge funds	3,996			3,996
Real estate funds	63,030			63,030
Inflation sensitive funds	19,682			19,682
Macro trading funds	25,810			25,810
Total	$706,972	$457,202	$ -	$249,770

	Fair Value Measurement at September 30, 2013			
	September 30, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Short-term money market investments	$ 17,551	$ 17,551	$ -	$ -
Common stocks	72,798	72,798		
Mutual funds				
Fixed income	160,273	160,273		
Global equity	134,647	134,647		
Multi-strategy	58,484	58,484		
Alternative investments (Note 1)				
Private equity securities	15,999			15,999
Core hedge funds	76,123			76,123
Low volatility hedge funds	5,653			5,653
Real estate funds	58,029			58,029
Inflation sensitive funds	16,487			16,487
Macro trading funds	21,272			21,272
Total	$637,316	$443,753	$ -	$193,563

A reconciliation of changes in beginning and ending balances for investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended September 30, 2014 and 2013, is as follows

	Fair Value Measurements Using Significant Unobservable Inputs Level 3						
	Private Equity Securities (a)	Core Hedge Funds (b)	Low Volatility Hedge Funds (c)	Real Estate (d)	Inflation Sensitive (e)	Macro Trading (f)	Total
Ending balance — September 30, 2012	$29,889	$106,622	$11,707	$ 85,138	$22,410	$18,191	$273,957
Total gains (losses)	6,580	11,513	698	10,257	(2,116)	5,058	31,990
Purchases	4,464	12,000			8,500		24,964
Sales	(5,162)		(3,024)				(8,186)
Ending balance — September 30, 2013	35,771	130,135	9,381	95,395	28,794	23,249	322,725
Total gains	5,296	9,660	44	10,361	361	4,925	30,647
Purchases	6,579	93,000			5,000		104,579
Sales	(12,979)	(192)	(2,450)				(15,621)
Ending balance — September 30, 2014	$34,667	$232,603	$ 6,975	$105,756	$34,155	$28,174	$442,330

A reconciliation of changes in beginning and ending balances for Plan investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended September 30, 2014 and 2013, is as follows

	Fair Value Measurements Using Significant Unobservable Inputs Level 3						
	Private Equity Securities (a)	Core Hedge Funds (b)	Low Volatility Hedge Funds (c)	Real Estate (d)	Inflation Sensitive (e)	Macro Trading (f)	Total
Ending balance — September 30, 2012	$14,986	$ 68,436	$ 7,490	$50,727	$ 15,973	$16,579	$174,191
Total gains (losses)	209	7,876	18	7,302	(1,486)	4,693	18,612
Purchases	3,633				2,000		5,633
Sales	(2,829)	(189)	(1,855)				(4,873)
Ending balance — September 30, 2013	15,999	76,123	5,653	58,029	16,487	21,272	193,563
Total gains (losses)	3,920	7,860	(258)	5,001	195	4,538	21,256
Purchases	22,705	15,000			3,000		40,705
Sales	(3,970)	(385)	(1,399)				(5,754)
Ending balance — September 30, 2014	$38,654	$ 98,598	$ 3,996	$63,030	$ 19,682	$25,810	$249,770

a) This class includes several private equity funds and cannot be directly redeemed. Instead, the nature of the investments in this category class is that distributions are received through the liquidation of the underlying assets of the fund. If these investments were held, it is estimated that the underlying assets of the fund would be liquidated over five to eight years.

b) This class includes investments in fund-of-fund hedge funds that invest both long and short primarily in domestic common stocks. The funds' strategy is to maintain a low correlation to the market and low volatility.

c) This class includes investments in fund-of-fund hedge funds that seek to achieve long-term, nonmarket directional returns with low relative volatility by utilizing a variety of defensive hedge fund strategies.

d) This class includes a real estate investment trust and a fund made up of participating mortgages.

e) This class invests primarily in liquid asset categories that offer negative correlation in a rising-inflation environment.

f) This class invests in a global macro hedge fund strategy that combines both systematic and discretionary trading in global asset classes and financial markets and also invests in the leveraged bank loan market.

Interest Rate Swap Agreements — The fair values of Carilion's interest rate swap agreements are determined using a standard valuation model based on observable inputs, including interest rate indices, and unobservable inputs, including extrapolations of observable inputs over the unobservable portion of the duration of the instrument Interest rate swap agreements are classified as Level 3 fair value measurements because the unobservable inputs are significant to the overall fair value measurement

Long-Term Debt — Fair values of Carilion's long-term debt are estimated using standard valuation models and/or quoted market prices for its bonds available close to the measurement date and were $621,433 and $611,443 as of September 30, 2014 and 2013, respectively (Level 2)

Other Assets and Liabilities — The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, accounts receivable, and accrued expenses and other liabilities approximate fair value because of the short maturity of these instruments

Nonrecurring Fair Value Measurements — In addition to assets and liabilities that are recorded at fair value on a recurring basis, Carilion records assets and liabilities at fair value on a nonrecurring basis as required by U S GAAP Generally, assets are recorded at fair value on a nonrecurring basis as a result of impairment charges There were no material nonrecurring fair value measurements as of or during the years ended September 30, 2014 and 2013

17. RELATED-PARTY TRANSACTIONS

Expenses for lab services provided by LGH were $27,538 and $39,447 for the eight month period ended May 31, 2014 and the year ended September 30, 2013, respectively, and are included in supplies and other expenses in the accompanying consolidated statements of operations

Revenues for services provided to BMH were $3,951 and $5,401 for the nine month period ended June 30, 2014 and the year ended September 30, 2013, respectively, and are included in other operating revenue in the accompanying consolidated statements of operations

18. ENDOWMENT FUNDS

Carilion's permanently restricted net assets consist primarily of one endowment fund The income derived from the endowment fund is required by donor stipulations to be used for neonatal and pediatric care Management has determined that assets whose use is limited that have been designated by the board for future capital improvements are not endowments because such assets are not required to be maintained permanently or for a specified term

Management has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary As a result, Carilion classifies permanently restricted net assets at the original value of gifts donated to the permanent endowment The remaining portion of the donor-restricted endowment funds that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by Carilion consistent with the donor's wishes Losses on the investments of donor-restricted endowment funds are recorded as a reduction of temporarily restricted net assets to the extent that donor-imposed temporary restrictions on net appreciation of the fund have not been met before the loss occurs Any remaining losses reduce unrestricted net assets and are excluded from the excess of unrestricted revenues and gains over expenses

In accordance with SPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds the duration and preservation of the fund, the purposes of the donor-restricted endowment fund, general economic conditions, the possible effect of inflation and deflation, the expected total return from income, and the appreciation of investments and other resources of Carilion

Endowment net assets are held in the systemwide investment pool (see Note 4) and are subject to Carilion's investment policies The endowment net asset composition at September 30, 2014 and 2013, is composed of the following

	2014	2013
Endowment net asset composition		
Temporarily restricted	$ 3,297	$ 2,723
Permanently restricted	11,876	11,876
Total	$ 15,173	$ 14,599

Changes in endowment assets for the year ended September 30, 2014, consisted of the following

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets — beginning of year	$ -	$ 2,723	$ 11,876	$ 14,599
Investment income		1,242		1,242
Appropriations of endowment assets for expenditure		(668)		(668)
Endowment net assets — end of year	$ -	$ 3,297	$ 11,876	$ 15,173

Changes in endowment assets for the year ended September 30, 2013, consisted of the following

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets — beginning of year	$ -	$ 1,778	$ 11,876	$ 13,654
Investment income		1,429		1,429
Appropriations of endowment assets for expenditure		(484)		(484)
Endowment net assets — end of year	$ -	$ 2,723	$ 11,876	$ 14,599

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