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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

CONWAY HOSPITAL INC , LOCATED IN CONWAY, SOUTH CAROLINA, IS A NOT-FOR-PROFIT ACUTE CARE HOSPITAL THAT PROVIDES INPATIENT, OUTPATIENT AND EMERGENCY CARE SERVICES GENERALLY FOR RESIDENTS OF HORRY AND SURROUNDING COUNTIES

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 \$ 108,754,500 including grants of \$ 39,681) (Revenue \$ 145,614,109)

CONWAY HOSPITAL INC IS A 210 BED ACUTE FACILITY LOCATED IN THE CITY OF CONWAY, SOUTH CAROLINA THE HOSPITAL WAS ORGANIZED UNDER THE LAWS OF THE STATE OF SOUTH CAROLINA IN 1928 FOR THE PURPOSE OF OPERATING A COMMUNITY HOSPITAL IN HORRY COUNTY THE HOSPITAL WAS CREATED FOR THE PURPOSE OF PROMOTING HEALTH FOR ALL RESIDENTS OF HORRY COUNTY AND ITS OUTLYING AREAS THE PROMOTION OF HEALTH HAS BEEN ESTABLISHED AS A CHARITABLE PURPOSE UNDER INTERNAL REVENUE CODE (IRC) SECTION 501(C)3 REVENUE RULE 69-545, 1969-2 C B 117, AS MODIFIED BY REV RUL 83-157, 1983-2 C B 94, WHICH SETS FORTH THE FACTORS THE INTERNAL REVENUE SERVICE WILL CONSIDER IN DETERMINING WHETHER A NONPROFIT HOSPITAL QUALIFIES FOR TAX EXEMPT STATUS THE HOSPITAL HAS A BOARD OF TRUSTEES COMPOSED OF INDEPENDENT CIVIC LEADERS AND PHYSICIANS AN OPEN MEDICAL STAFF IS MAINTAINED BY THE HOSPITAL, WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS ALSO, THE HOSPITAL PROVIDES EMERGENCY AND NON-EMERGENCY CARE TO ANYONE REGARDLESS OF THEIR ABILITY TO PAY, EITHER DIRECTLY OR THROUGH THIRD-PARTY REIMBURSEMENT, INCLUDING MEDICARE AND MEDICAID DURING THE YEAR ENDED SEPTEMBER 30, 2014, THE HOSPITAL FURNISHED CHARITY CARE IN THE AMOUNT OF \$15,788,809 IN FOREGONE CHARGES THE TOTAL DAYS OF PATIENT CARE WERE 29,784 AND CONWAY HOSPITAL INC SAW A TOTAL OF 122,621 PATIENTS DURING THE YEAR IN ADDITION TO PROVIDING PATIENT CHARITY CARE, AND IN FURTHERANCE OF ITS EXEMPT PURPOSE TO BENEFIT THE COMMUNITY, THE HOSPITAL OFFERS A MOBILE OUTREACH PROGRAM THIS PROGRAM OFFERS FREE SCREENING SERVICES TO MEDICALLY UNDERSERVED AREAS OF OUR COMMUNITY THESE AREAS ARE DESIGNATED AS SUCH THROUGH CENSUS DATA AND HEALTH SERVICE AREA STATISTICS EXAMPLES OF SCREENING SERVICES OFFERED ON A WEEKLY BASIS INCLUDE BLOOD PRESSURE, CHOLESTEROL AND BLOOD SUGAR EXAMPLES OF SCREENING SERVICES OFFERED THROUGHOUT THE YEAR INCLUDE MEDICAL BREAST EXAMS, PROSTATE CANCER EXAMS, THYROID SCREENINGS, AND PAP EXAMS IN ADDITION, HEALTH EDUCATION AND REFERRAL ASSISTANCE ARE PROVIDED THE HOSPITAL ALSO OFFERS FREE HEALTH SCREENINGS AND HEALTH EDUCATION PROGRAMS TO THE COMMUNITY AT LARGE RELATED TO SMOKING CESSATION, BREAST CANCER AWARENESS, HEART DISEASE PREVENTION AND EARLY DETECTION, NUTRITION AND WEIGHT MANAGEMENT, DIABETES EDUCATION, BREASTFEEDING EDUCATION SELF HELP AND SUPPORT GROUPS ARE ALSO PROVIDED AT NO COST TO THE COMMUNITY ON A VARIETY OF TOPICS FAMILY SUPPORT SERVICES ARE ALSO OFFERED TO ASSIST COMMUNITY MEMBERS IN LOCATING OTHER FREE OR REDUCED SERVICES AVAILABLE IN THE COMMUNITY IN ORDER TO IMPROVE THEIR HEALTH OUTCOMES

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

108,754,500

Form 990 (2013)

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	
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 Yes	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e	No
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a	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	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H 	20a Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? 	20b Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	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? <i>If "Yes," complete Schedule I, Parts I and III</i>	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? <i>If "Yes," complete Schedule J</i>	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? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	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? <i>If "Yes," complete Schedule L, Part I</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? <i>If "Yes," complete Schedule L, Part I</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? <i>If so, complete Schedule L, Part II</i>	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? <i>If "Yes," complete Schedule L, Part III</i>	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? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	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? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	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)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	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? <i>If "Yes," complete Schedule R, Part VI</i>	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.	132	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
1c			
2a		1,226	
2b		Yes	
3a		Yes	
3b		Yes	
4a			No
b			
5a			No
5b			No
5c			
6a			No
6b			
7			
7a			No
7b			
7c			No
7d			
7e			No
7f			No
7g			
7h			
8			
9			
9a			
9b			
10			
10a			
10b			
11			
11a			
11b			
12a			
12b			
13			
13a			
13b			
13c			
14a			No
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	14	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent	13	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	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	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

Section B. Policies

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes
13	Did the organization have a written whistleblower policy?	13	Yes
14	Did the organization have a written document retention and destruction policy?	14	Yes
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	15a	Yes
b	Other officers or key employees of the organization	15b	Yes
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	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	NC , SC
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. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> 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 BRET BARR 300 SINGLETON RIDGE ROAD CONWAY,SC 29526 (843) 347-7111	

Part VII

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

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

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

- 1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.
- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
 - List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
 - List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
 - List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
 - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) PHILIP CLAYTON CEO AND TRUSTEE	40 0 4 0	X		X				693,995	0	57,164
(2) LEROY RAINBOW JR CHAIRMAN	1 0 1 0	X		X				0	0	0
(3) M WAYNE STATON SECRETARY	1 0 1 0	X		X				0	0	0
(4) WILLIAM R BENSON TRUSTEE	1 0 1 0	X						0	0	0
(5) DR REGINALD F DAVES TRUSTEE	1 0 1 0	X						0	0	0
(6) Dr MICHAEL ELLIS TRUSTEE	1 0 1 0	X						0	0	0
(7) DIANNE W RAY TRUSTEE	1 0 1 0	X						0	0	0
(8) GEORGE H GOLDFINCH JR TRUSTEE	1 0 1 0	X						0	0	0
(9) CHARLES B JORDAN TRUSTEE	1 0 1 0	X						0	0	0
(10) DR HAL B HOLMES TRUSTEE	1 0 1 0	X						0	0	0
(11) CHRISTOPHER S HUGGINS TRUSTEE	1 0 1 0	X						0	0	0
(12) DR DEIRDRE S WILLIAMS DDS TRUSTEE	1 0 1 0	X						0	0	0
(13) JOHN P HENRY TRUSTEE	1 0 1 0	X						0	0	0
(14) GEORGE N MAGRATH JR TRUSTEE	1 0 1 0	X						0	0	0
(15) BRET BARR CFO	40 0 4 0			X				323,985	0	40,884
(16) PRESTON STROSNIDER VP OF MEDICAL STAFF	40 0				X			397,288	0	41,349
(17) TONY MINSHEW VP OF NURSING	40 0				X			216,347	0	23,743

Part VII

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099- MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) CRAIG HYMAN VP OF HUMAN RESOURCES	40 0				X			230,166	0	22,668
(19) DWIGHT GENTRY JR VP OF ANCILLARY	40 0 3 0				X			245,298	0	22,811
(20) ANGELA WILLIFORD CHIEF RISK OFFICER	40 0				X			202,168	0	36,520
(21) KEVIN LOVETT VP OF FACILITIES	40 0				X			189,313	0	35,075
(22) BERNARD MASSEY VP OF FOUNDATION	40 0				X			182,520	0	20,109
(23) ROBERT GAJEWSKI DIRECTOR OF PHARMACY	40 0					X		151,548	0	32,004
(24) DENNIS FINLEY DIRECTOR OF PHYSICAL THERAPY	40 0					X		131,572	0	30,514
(25) ANGELA PORTER ASST VP- NURSING	40 0					X		113,111	0	17,779
(26) GLENN SISK PHARMACIST	40 0					X		132,739	0	6,630
(27) WENDELL BEVERLY CLINICAL PHARMACY COORDINATOR	40 0					X		128,956	0	10,487
1b Sub-Total							▼			
c Total from continuation sheets to Part VII, Section A							▼			
d Total (add lines 1b and 1c)							▼	3,339,006	0	397,737

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▶43

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		No
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such person</i>		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
HOSPITAL MEDICINE ASSOCIATES LLC, P O BOX 634850 CINCINNATI OH 452634850	PHYSICIAN SERVICES	1,955,486
ARAMARK, 10510 TWIN LAKES PARKWAY CHARLOTTE NC 28269	TECHNICAL	836,160
MORRISON MANAGEMENT SPECIALISTS, 5801 PEACHTREE DUNWOODY ROAD ATLANTA GA 303421503	DIETARY	542,982
ATLANTIC LITHOTRIPSY LLC, 402 SINGLETON RIDGE RD CONWAY SC 29526	PROFESSIONAL	382,700
GORDON BREAUX MARKETING, 611 KAISER DR LAFAYETTE LA 70508	MARKETING	381,512
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 ▶13		

Part VIII

Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a			
	b	Membership dues	1b			
	c	Fundraising events	1c			
	d	Related organizations	1d	126,192		
	e	Government grants (contributions)	1e	2,461,969		
	f	All other contributions, gifts, grants, and similar amounts not included above	1f			
	g	Noncash contributions included in lines 1a-1f \$				
	h	Total. Add lines 1a-1f		2,588,161		
Program Service Revenue	2a	NET PATIENT REVENUE	Business Code 062210	141,578,564	141,578,564	
	b	WELLNESS CENTER	900099	907,270	907,270	
	c	DIETARY REVENUE	722210	1,103,680	1,071,460	32,220
	d	PREMIER INCOME	900099	74,430	78,082	-3,652
	e	COASTAL HOME CARE	900099	190,281		190,281
	f	All other program service revenue		1,759,884	1,759,884	
	g	Total. Add lines 2a-2f		145,614,109		
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		2,704,743	
4		Income from investment of tax-exempt bond proceeds		0		
5		Royalties		0		
6a		(i) Real				
		(ii) Personal				
		Gross rents				
		Less rental expenses				
b		Rental income or (loss)		0		
c		Net rental income or (loss)		282,775	282,775	
7a		(i) Securities				
		(ii) Other				
		Gross amount from sales of assets other than inventory				
		Less cost or other basis and sales expenses				
b		Gain or (loss)				
c		Net gain or (loss)		6,882,693		6,882,693
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18				
a						
b		Less direct expenses				
c		Net income or (loss) from fundraising events		0		
9a		Gross income from gaming activities See Part IV, line 19				
a						
b	Less direct expenses					
c	Net income or (loss) from gaming activities		0			
10a	Gross sales of inventory, less returns and allowances					
a						
b	Less cost of goods sold					
c	Net income or (loss) from sales of inventory		0			
Miscellaneous Revenue		Business Code				
11a						
b						
c						
d	All other revenue					
e	Total. Add lines 11a-11d		0			
12	Total revenue. See Instructions		158,072,481	145,678,035	28,568	9,777,717

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.	32,925	32,925		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	6,756	6,756		
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.	0			
4	Benefits paid to or for members.	0			
5	Compensation of current officers, directors, trustees, and key employees.	3,339,006	761,162	2,577,844	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	0			
7	Other salaries and wages.	43,943,509	39,109,723	4,833,786	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	2,186,727	1,946,187	240,540	
9	Other employee benefits.	8,428,895	7,501,717	927,178	
10	Payroll taxes.	3,412,800	3,037,392	375,408	
11	Fees for services (non-employees):				
a	Management.	5,953,997	5,299,057	654,940	
b	Legal.	734,974		734,974	
c	Accounting.	97,460		97,460	
d	Lobbying.	11,120		11,120	
e	Professional fundraising services. See Part IV, line 17.	0			
f	Investment management fees.	0			
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	4,174,455	3,715,265	459,190	
12	Advertising and promotion.	0			
13	Office expenses.	1,307,472	1,163,650	143,822	
14	Information technology.	2,236,203		2,236,203	
15	Royalties.	0			
16	Occupancy.	6,671,961	5,938,045	733,916	
17	Travel.	15,064		15,064	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
19	Conferences, conventions, and meetings.	0			
20	Interest.	2,189,171	2,189,171		
21	Payments to affiliates.	0			
22	Depreciation, depletion, and amortization.	8,477,872	7,545,306	932,566	
23	Insurance.	264,237	235,171	29,066	
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	24,086,584	24,086,584		
b	MEDICAID PROVIDER TAX	3,521,783	3,521,783		
c	FOOD SUPPLIES	1,073,747	955,635	118,112	
d	PATIENT INFORMATION	772,508	772,508		
e	All other expenses	1,052,206	936,463	115,743	
25	Total functional expenses. Add lines 1 through 24e.	123,991,432	108,754,500	15,236,932	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> 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)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		11,900,214	1	10,433,298
	2	Savings and temporary cash investments		0	2	0
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		14,422,479	4	15,953,557
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		833,703	7	353,198
	8	Inventories for sale or use		2,663,029	8	2,979,121
	9	Prepaid expenses and deferred charges		1,443,559	9	1,641,747
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a195,601,864			
	b	Less accumulated depreciation	10b103,911,067	95,049,629	10c	91,690,797
	11	Investments—publicly traded securities		177,279,546	11	204,416,844
	12	Investments—other securities See Part IV, line 11		0	12	22,167
	13	Investments—program-related See Part IV, line 11		3,824,115	13	4,416,314
	14	Intangible assets		770,981	14	734,016
	15	Other assets See Part IV, line 11		50,042,292	15	57,583,481
	16	Total assets. Add lines 1 through 15 (must equal line 34)		358,229,547	16	390,224,540
Liabilities	17	Accounts payable and accrued expenses		18,314,150	17	18,409,340
	18	Grants payable		0	18	0
	19	Deferred revenue		491,730	19	491,730
	20	Tax-exempt bond liabilities		61,304,023	20	58,831,394
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	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		0	25	0
	26	Total liabilities. Add lines 17 through 25		80,109,903	26	77,732,464
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		276,640,019	27	310,883,932
	28	Temporarily restricted net assets		664,690	28	736,453
	29	Permanently restricted net assets		814,935	29	871,691
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> 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		278,119,644	33	312,492,076
	34	Total liabilities and net assets/fund balances		358,229,547	34	390,224,540

Part XI Reconciliation 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	158,072,481
2	Total expenses (must equal Part IX, column (A), line 25)	2	123,991,432
3	Revenue less expenses Subtract line 2 from line 1	3	34,081,049
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	278,119,644
5	Net unrealized gains (losses) on investments	5	291,383
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	
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	312,492,076

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 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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? 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 <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2a	No
2b	Were the organization's financial statements audited by an independent accountant? 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 <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2b	Yes
2c	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? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	Yes
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	No
3b	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	

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 Conway Hospital Inc	Employer identification number 57-0314381
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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)

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g

h

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

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

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

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

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)

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

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)

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

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)

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

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

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)

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

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

(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?

(ii)

A family member of a person described in (i) above?

(iii)

A 35% controlled entity of a person described in (i) or (ii) above?

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(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 IIISupport 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 Conway Hospital Inc	Employer identification number 57-0314381
---	--

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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		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		
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														
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-															
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?		<input type="checkbox"/> Yes <input type="checkbox"/> 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)		(b)
		Yes	No	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		11,120
j	Total. Add lines 1c through 1i.			11,120
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
Schedule C, Part II-B, Line 1i	CONWAY HOSPITAL, INC. PAYS ANNUAL MEMBERSHIP DUES AS PART OF THEIR MEMBERSHIP WITH THE SOUTH CAROLINA HOSPITAL ASSOCIATION AND A PERCENTAGE OF THESE DUES ARE USED FOR LOBBYING ACTIVITIES. IN ADDITION, THE ORGANIZATION PAID \$7,500 TO PROTECT AMERICA'S HEALTH CARE FOR PUBLIC AWARENESS AND EDUCATION.

[illegible]

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 Conway Hospital Inc	Employer identification number 57-0314381
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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? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
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? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

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

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
- c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	
- 2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No
- b

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

☐

Part V

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance	3,168,543	2,824,600	2,533,913	2,464,486	2,299,137
b Contributions	277,647	334,226	334,052	421,801	360,688
c Net investment earnings, gains, and losses	221,714	318,538	361,512	-11,208	106,530
d Grants or scholarships		308,821	6,158		
e Other expenditures for facilities and programs	202,080		398,719	341,166	301,869
f Administrative expenses					
g End of year balance	3,465,824	3,168,543	2,824,600	2,533,913	2,464,486

- 2

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

Board designated or quasi-endowment ▶ 23 000 %

b

Permanent endowment ▶ 51 000 %

c

Temporarily restricted endowment ▶ 26 000 %
- The percentages in lines 2a, 2b, and 2c should equal 100%
- 3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- (i) unrelated organizations

3a(i)

☐ Yes

☐ No

(ii) related organizations

3a(ii)

☐ Yes

☐

b

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

3b

☐ Yes

☐

4

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

Land, Buildings, and Equipment. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.
- | Description of property | (a) Cost or other basis (investment) | (b)Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--|--------------------------------------|--------------------------------|------------------------------|----------------|
| 1a Land | | 3,279,136 | | 3,279,136 |
| b Buildings | | 83,249,124 | 31,992,693 | 51,256,431 |
| c Leasehold improvements | | | | |
| d Equipment | | 89,504,985 | 62,694,694 | 26,810,291 |
| e Other | | 19,568,619 | 9,223,680 | 10,344,939 |
| Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) | | | | 91,690,797 |
- Schedule D (Form 990) 2013

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

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

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

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

Part XIII Supplemental Information

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

Return Reference	Explanation
Schedule D, Part V, Line 4	ENDOWMENT FUNDS ARE HELD AND ADMINISTERED BY CONWAY HOSPITAL FOUNDATION THE ENDOWMENT FUNDS BENEFIT A VARIETY OF PROGRAMS, INCLUDING QUALITY PATIENT CARE AND SAFETY, PEDIATRIC AND CHILDREN'S MEDICINE, EQUIPMENT AND TECHNOLOGY IMPROVEMENTS, NURSING SCHOLARSHIPS AND OTHER PROGRAMS AND FUNDING AS IS CONSISTENT WITH THE WISHES AND DESIGNATIONS OF DONORS
Liability for Uncertain Tax Position (ASC 740)	Schedule D, Part X, Line 2 The Hospital continues to evaluate tax positions related to ASC 740, "Income Taxes," which prescribes financial statement recognition threshold and measurement attributes for tax positions taken or expected to be taken in tax returns. As of September 30, 2014, the tax years ended September 30, 2013, 2012 and 2011 for federal jurisdiction remain open to examination

[illegible]

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
Conway Hospital Inc

Employer identification number
57-0314381

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 <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> 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 <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care <input checked="" type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	3a Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care <input checked="" type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	3b Yes	
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care		
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4 Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c	No
6a	Did the organization prepare a community benefit report during the tax year?	6a Yes	
b	If "Yes," did the organization make it available to the public?	6b Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.		

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			6,107,576	5,459,158	648,418	0 520 %
b Medicaid (from Worksheet 3, column a)			20,539,534	28,683,735	-8,144,201	
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			26,647,110	34,142,893	-7,495,783	0 520 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	625	55,008	353,183		353,183	0 280 %
f Health professions education (from Worksheet 5)	56	732	47,105		47,105	0 040 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)	159	50,776	47,483		47,483	0 040 %
j Total Other Benefits	840	106,516	447,771		447,771	0 360 %
k Total. Add lines 7d and 7j	840	106,516	27,094,881	34,142,893	-7,048,012	0 880 %

Part IICommunity 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
1Physical improvements and housing						
2Economic development						
3Community support	11	1,490	7,750		7,750	0.010 %
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy						
8Workforce development						
9Other						
10Total	11	1,490	7,750		7,750	0.010 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?

1

No

2Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

2

38,799,643

3Enter 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

4Provide 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

5Enter total revenue received from Medicare (including DSH and IME).

5

45,095,276

6Enter Medicare allowable costs of care relating to payments on line 5.

6

41,812,114

7Subtract line 6 from line 5. This is the surplus (or shortfall).

7

3,283,162

8Describe 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

9aDid the organization have a written debt collection policy during the tax year?

9a

Yes

bIf "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 IVManagement Companies and Joint Ventures

(owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

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

Part V

Facility Information

Section A. Hospital Facilities

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

Name, address, primary website address, and state license number

		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
	See Additional Data Table										

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Conway Hospital Inc

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 If "Yes," indicate what the CHNA report describes (check all that apply)	1 Yes	
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a CHNA 20 <u>13</u>		
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? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5 Yes	
a <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>conwaymedicalcenter.com/AboutCMC.aspx</u>		
b <input type="checkbox"/> Other website (list url) _____		
c <input checked="" type="checkbox"/> Available upon request from the hospital facility		
d <input type="checkbox"/> 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 <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b <input checked="" type="checkbox"/> Execution of the implementation strategy		
c <input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input checked="" type="checkbox"/> Prioritization of health needs in its community		
h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> 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? If "Yes," indicate the FPG family income limit for eligibility for free care 100% If "No," explain in Part VI the criteria the hospital facility used	10	Yes
11	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care 200 % If "No," explain in Part VI the criteria the hospital facility used	11	Yes
12	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)	12	Yes
a	<input checked="" type="checkbox"/> Income level		
b	<input checked="" type="checkbox"/> Asset level		
c	<input checked="" type="checkbox"/> Medical indigency		
d	<input checked="" type="checkbox"/> Insurance status		
e	<input checked="" type="checkbox"/> Uninsured discount		
f	<input checked="" type="checkbox"/> Medicaid/Medicare		
g	<input checked="" type="checkbox"/> State regulation		
h	<input type="checkbox"/> Residency		
i	<input type="checkbox"/> 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? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	14	Yes
a	<input type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input type="checkbox"/> The policy was attached to billing invoices		
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available upon request		
g	<input checked="" type="checkbox"/> 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	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> 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? If "Yes," check all actions in which the hospital facility or a third party engaged	17	No
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> 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? If "No," indicate why	19 Yes	
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b <input type="checkbox"/> The hospital facility's policy was not in writing		
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d <input type="checkbox"/> 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 <input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b <input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d <input checked="" type="checkbox"/> 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? If "Yes," explain in Part VI	21 Yes	
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? If "Yes," explain in Part VI	22	No

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.

[illegible]

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? **1**

Name and address		Type of Facility (describe)
1	Conway Hosp Outpatient Diagnostic Ctr 801 Farrar Dr Conway, SC 29526	Imaging Mammography
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
Additional Financial Assistance and Costing Methodology	SCHEDULE H, PART I, LINE 7 Additional Financial Assistance ADDITIONAL FINANCIAL ASSISTANCE (NOT REFLECTED IN THE TABLE) IN THE AMOUNT OF APPROXIMATELY \$463,000 WAS PROVIDED TO PATIENTS THROUGH RELATED SUPPORTING ORGANIZATIONS (CONWAY HOSPITAL ANESTHESIA PROFESSIONAL SERVICES AND CONWAY HOSPITAL EMERGENCY PROFESSIONAL SERVICES) THESE ORGANIZATIONS WORK IN TANDEM WITH CONWAY HOSPITAL, INC AS PART OF OUR HEALTH CARE DELIVERY SYSTEM TO PROVIDE SERVICES TO PATIENTS Costing Methodology THE IRS WORKSHEETS WITH INPUT FROM OUR MEDICARE COST REPORT WERE USED TO COMPUTE THE AMOUNTS IN THE TABLE UTILIZING A COST TO CHARGE RATIO

Form and Line Reference	Explanation
Community Building Activities	SCHEDULE H, PART II, LINE 9 THE HOSPITAL PARTICIPATED WITH LOCAL CHAMBER OF COMMERCE, CONWAY CITY AND HORRY COUNTY SCHOOLS IN VARIOUS PROJECTS INCLUDING RECYCLING AND CLEAN WATER PROGRAMS

Form and Line Reference	Explanation
Bad Debt Expense	SCHEDULE H, PART III, LINE 4 INFORMATION ABOUT CONWAY HOSPITAL'S ALLOWANCE FOR BAD DEBT CAN BE FOUND ON PAGES 10 AND 11 OF THE ATTACHED FINANCIAL STATEMENT FOOTNOTES CONTRACTUAL ADJUSTMENTS AND DISCOUNTS ARE APPLIED TO PATIENT ACCOUNTS BEFORE DETERMINING BAD DEBT BAD DEBT AND ADJUSTMENTS TO ACCOUNTS RECEIVABLE ARE DETERMINED USING A LOOK-BACK METHOD AND AGING CATEGORIES BASED ON HISTORICAL COLLECTION PERCENTAGES THE COST OF BAD-DEBT REPORTED ON LINE 2 OF PART III WAS COMPUTED WITH THE COST TO CHARGE RATIO DEVELOPED FROM THE IRS WORKSHEETS AND OUR MEDICARE COST REPORT

Form and Line Reference	Explanation
Collection Practices	SCHEDULE H, PART III, LINE 9B WHEN INDIVIDUALS ARE LATENTLY IDENTIFIED AS POTENTIALLY QUALIFYING FOR FINANCIAL ASSISTANCE, THE NORMAL COLLECTION PROCESS IS HALTED AND THE PATIENT IS REFERRED TO A FINANCIAL COUNSELOR TO DETERMINE THEIR NEED AND WHAT ASSISTANCE CAN BE PROVIDED WE USE A THIRD PARTY TO ASSIST PATIENTS IN COMPLETING THE MEDICAID APPLICATION AND THE HOSPITAL ASSISTANCE APPLICATION WE USE THE FEDERAL POVERTY GUIDELINES TO DETERMINE ELIGIBILITY FOR FREE OR DISCOUNTED CARE IF A PATIENT IS FOUND TO QUALIFY WE APPLY A DISCOUNT TO THEIR ACCOUNT IN ACCORDANCE WITH OUR POLICY FOR THE PORTION OF THE BILL THAT THE PATIENT IS RESPONSIBLE FOR, THE HOSPITAL WORKS OUT A PAYMENT PLAN WITH THE PATIENT AND THEN ANY FURTHER ACTION IS HANDLED THROUGH NORMAL COLLECTION PRACTICES

Form and Line Reference	Explanation
Community Health Care Needs Assessment	<p>SCHEDULE H, PART VI, LINE 2 The South Carolina Department of Health and Environmental Control issued a report in 2012 related to the impact of chronic health conditions for those in Horry County The full report can be found at http //www scdhec gov/Health/docs/Epi/chronic/Horry pdf Horry County ranks higher than the state average for the following risk factors which contribute to chronic health conditions sedentary lifestyle and high cholesterol The age-adjusted death rate for lung cancer in Horry County (per 100,000) is 55 9% compared to the state average of 51 4% The hospital offers a free program for the community two times a year related to smoking cessation Additionally, all patients are assessed for their use of tobacco and provided with appropriate education should they report they do use tobacco The hospital's mobile outreach program also conducts a similar assessment and education for those individuals seen in the community by the outreach van The county's age-adjusted death rate for heart disease (per 100,000) is 193 6 which is also higher than the state average of 178 5 The mobile health outreach van offers free blood pressure and cholesterol testing as well as nutritional education on a routine basis throughout the western part of Horry County Additional statistics are noted below under 'promotion of community health ' The hospital produced a Community Health Needs Assessment (CHNA) during 2013 and created an Implementation Strategy to address many of those needs The full CHNA report can be found at http //www conwaymedicalcenter com/aboutcmc.aspx</p>

Form and Line Reference	Explanation
Eligibility Education	Schedule H, Part VI, Line 3 Signs are posted throughout the hospital in both English and Spanish (and on our website under patient and family responsibility) that inform patients of our assistance policy All patients that do not have insurance are referred to financial counselors who assist with helping to inform patients of various financial assistance options either through government programs or through the hospital's assistance policy Invoices sent to patients also include a notice that the hospital has an assistance program and how to they can apply for assistance Example of language posted on our website and throughout the hospital 'if a patient or family member cannot afford to pay their bill, we encourage them to ask us about the hospital assistance program ' and 'si usted no tiene los recursos para pagar su cuenta, por favor pregntenos sobre el programa de asistencia del hospital '

Form and Line Reference	Explanation
Description of Community Served	Schedule H, Part VI, Line 4 Conway Medical Center serves those persons living in Horry County as well as the bordering counties of Marion and Georgetown Two other hospitals, McLeod Loris/Seacoast and Grand Strand Regional Medical Center are located in Horry County The population of Horry County, according to the latest census figures, is as follows population in 2012 was 282,290, the population grew by 7.6% from 2010 to 2013, in 2012, 20% of the population under 18 years, 33.4% of the population was 18-44 years of age, 27.9% of the population was aged 45-64, 17.1% of the population was 65-84 years of age, and 1.6% was over the age of 85% Median household income for Horry County for 2008-2012 was \$42,183 as compared to the state average of \$44,263 with 18.1% of persons living below poverty level, compared to the state average of 17.6% The Conway area's median household income for 2012 was \$33,247 and there were 37.4% of persons living below poverty level The metropolitan statistical area is considered to be Myrtle Beach-North Myrtle Beach-Conway, SC Metro area The primary service area of the hospital includes those zip codes within a 15 mile radius of the hospital with approximately 40% of that area being in a rural location

Form and Line Reference	Explanation
Promoting the Health of the Community	<p>Schedule H, Part VI, Line 5 The mission of the hospital is to improve the overall health of the community Major efforts have taken place to provide free screening within the community through our mobile health outreach program to detect illness and disease at an early stage The 2012/2013 report shows that the outreach program delivered free health screenings to 92 various locations predominately in medically underserved areas of Horry County There were 1,358 participants who were screened with results as follows elevated blood pressure - 31%, elevated blood glucose - 20%, elevated blood cholesterol - 29% By providing counseling, physician referral and follow-up, the outreach staff provided education to those individuals that are screened In addition to the HEALTHREACH van screenings, during September through June, the staff obtains and delivers smart snacks to 4 schools and 605 children every Thursday HEALTHREACH provided 605 flu shots at two events and provided diabetes screenings for 1200 persons at 65 events Safesitter babysitting training classes were provided in June and July with a total of 17 children participating and receiving certification Mammogram referrals are also initiated through the HEALTHREACH office and additional tracking and follow up communication is provided As part of the program, over 614 patients, meeting financial eligibility status, were referred for either screening or diagnostic mammography at Conway Medical Center at no charge to the patient In some cases, ultrasounds were required and also provided by the hospital at no charge The hospital has also committed \$15,000 per year to support a faculty position for the nursing program at Horry-Georgetown Technical College A variety of community health education programs and health screenings were offered throughout the year such as blood pressure and cholesterol screenings for 1054 persons at 64 events</p>

Form and Line Reference	Explanation
Community Benefit Report State Filings	Schedule H, Part VI, Line 7 SC

Additional Data

Software ID:
Software Version:
EIN: 57-0314381
Name: Conway Hospital Inc

990 Schedule H, Supplemental Information

Section C. Supplemental Information for Part V, Section B.Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.	
Form and Line Reference	Explanation
Conway Hospital, Inc	
Conway Hospital, Inc	Schedule H, Part V, Section B, Question 7 The Community Health Needs Assessment Team used the data and input that had been collected to prioritize the needs of the hospital's defi ned community After discussing the priorities in depth and discussing Conway's expertise, the expertise of other community organizations and outreach, and the hospital's wide rang e of services currently available, the following issues were chosen for implementation ac cess to care for the uninsured, prevention/screenings, diabetes, smoking, and infant morta lity The priorities not addressed by the hospital are as follows Oral Health - Due to re source constraints along with the presence of other local organizations championing this a rea of need, Conway Medical Center will not address oral health at this time Horry George town Technical College is one organization in the area that has plans for improvement in t his area Obesity/Nutrition - Conway Medical Center offers programs to give children healt hy food options to take home on the weekends Conway Medical Center will also continue to participate in health fairs on educating the community on the importance of nutrition and exercise There are also numerous local organizations that continue to address this need t hrough weight loss classes, healthy food outlets and local recreational facilities Transp ortation - Through prioritization, the team found a lack of effective interventions to add ress this need Conway Medical Center will, however, continue to use available resources t o offer the HEALTHREACH mobile van when possible Mental Health - Due to other local fac ilities specifically addressing mental health issues, along with certain resource constraint s and lack of expertise in the mental health area, Conway Medical Center has chosen not to address this need in this year's strategies Our Community Health Needs Assessment and Im plementation Strategy can be found at http //www.conwaymedicalcenter.com/AboutCMC.aspx
Conway Hospital, Inc	Schedule H, Part V, Section B, Question 14(G) The financial assistance policy was also pr ovided to patients upon discharge by case managers
Conway Hospital, Inc	Schedule H, Part V, Section B, Question 18(e) The hospital did not perform any of the act ions indicated on Line 17 before making reasonable efforts to qualify patients for eligibi lity under our financial assistance policy The hospital made all efforts checked in Line 18
Conway Hospital, Inc	Schedule H, Part V, Section B, Question 20 The hospital provided discounted care to indiv iduals qualifying for financial assistance based on the federal poverty guidelines In add ition to those patients who did not qualify according to the financial assistance policy, we take into consideration the patient's current social and economic circumstances and pro vide additional reductions depending on their specific situation
Conway Hospital, Inc	Schedule H, Part V, Section B, Question 21 During the filing year, the hospital was in pr ocess of evaluating the methodology options provided in the proposed IRS Regulations but h ad not yet determined the best approach in order to update its financial assistance policy

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
Conway Hospital Inc

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

Employer identification number
57-0314381

Part I

General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ Yes ☐ No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) UNITED WAY P O BOX 673 CONWAY,SC 29526	57-0558692	501 (C)(3)	9,100				GENERAL PURPOSE GENERAL PURPOSE NURSING SCHOLARSHIPS, BOOKS, TUITION GENERAL PURPOSE GENERAL PURPOSE GENERAL PURPOSE GENERAL PURPOSE GENERAL PURPOSE GENERAL PURPOSE
(2) CONWAY MED CTR FOUNDATION P O BOX 829 CONWAY,SC 29526	57-0870199	501 (C)(3)	15,700				GENERAL PURPOSE

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

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

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) NURSING SCHOLARSHIPS, BOOKS, TUITION	7	6,756			

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
Procedure for Monitoring Use of Grant Funds Inside U S	Schedule I, Part I, Line 2 GRANTS TO ORGANIZATIONS - CONWAY HOSPITAL PAYS GRANTS TO VARIOUS LOCAL 501(C)3 ENTITIES WHICH ARE QUALIFIED EXEMPT ORGANIZATIONS THE BOARD APPROVES EACH GRANT BEFORE IT IS PAID SCHOLARSHIPS TO INDIVIDUALS - NURSING SCHOLARSHIPS ARE GIVEN OUT TO EMPLOYEES OF THE HOSPITAL AND OTHER MEMBERS OF THE COMMUNITY BASED ON FINANCIAL NEED AND NURSING SHORTAGES TUITION REIMBURSEMENT IS ALSO GRANTED TO INDIVIDUALS FOR CERTAIN EDUCATIONAL ASSISTANCE CONWAY PAYS FOR BOOKS AND TUITION ONLY, AND STUDENTS ARE REQUIRED TO MAINTAIN CERTAIN MINIMUM GRDES IN ORDER TO QUALIFY FOR ASSISTANCE

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
Conway Hospital Inc

Employer identification number
57-0314381

Part I

Questions Regarding Compensation

	Yes	No
<div><div>1a</div><div>Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.</div><div><div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div><div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div></div>		
<div><div>1b</div><div>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.</div></div>		
<div><div>2</div><div>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?</div></div>		
<div><div>3</div><div>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.</div><div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div></div>		
<div><div>4</div><div>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:</div></div>		
<div><div>4a</div><div>Receive a severance payment or change-of-control payment?</div></div>		No
<div><div>4b</div><div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div></div>	Yes	
<div><div>4c</div><div>Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.</div>		No
<div><div></div><div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div></div>		
<div><div>5</div><div>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:</div></div>		
<div><div>5a</div><div>The organization?</div></div>		No
<div><div>5b</div><div>Any related organization?</div></div> <div>If "Yes," to line 5a or 5b, describe in Part III.</div>		No
<div><div>6</div><div>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:</div></div>		
<div><div>6a</div><div>The organization?</div></div>		No
<div><div>6b</div><div>Any related organization?</div></div> <div>If "Yes," to line 6a or 6b, describe in Part III.</div>		No
<div><div>7</div><div>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.</div></div>		No
<div><div>8</div><div>Were any amounts reported in Form 990, Part VII, paid or accrued 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.</div></div>		No
<div><div>9</div><div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</div></div>		

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
Supplemental nonqualified retirement plan	SCHEDULE J, PART I, LINE 4B CONWAY HOSPITAL PROVIDES A NON-QUALIFIED SUPPLEMENTAL EMPLOYEE RETIREMENT PLAN, A CAPITAL ACCUMULATION PLAN AND AN ENVISION PLUS PLAN TO SENIOR EXECUTIVES SUBJECT TO CERTAIN VESTING REQUIREMENTS AND/OR SUBSTANTIAL RISKS OF FORFEITURE THE FOLLOWING EXECUTIVES PARTICIPATED IN ONE OR MORE OF THE PLANS DURING THE YEAR PHILIP CLAYTON, BRET BARR, PRESTON STROSNIDER, CRAIG HYMAN, DWIGHT GENTRY, JR , KEVIN LOVETT, BERNARD MASSEY, ANGELA WILLIFORD AND TONY MINSHEW THERE WERE NO DISTRIBUTIONS FROM THE PLAN DURING THE YEAR

Additional Data

Software ID:
Software Version:
EIN: 57-0314381
Name: Conway Hospital Inc

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
PHILIP CLAYTON CEO AND TRUSTEE	(i)	477,540	207,175	9,280	33,347	23,817	751,159	0
	(ii)	0	0	0	0	0	0	0
BRET BARR CFO	(i)	257,970	63,003	3,012	17,067	23,817	364,869	0
	(ii)	0	0	0	0	0	0	0
PRESTON STROSNIDER VP OF MEDICAL STAFF	(i)	296,441	100,847	0	17,532	23,817	438,637	0
	(ii)	0	0	0	0	0	0	0
TONY MINSHEW VP OF NURSING	(i)	176,974	39,373	0	12,397	11,346	240,090	0
	(ii)	0	0	0	0	0	0	0
CRAIG HYMAN VP OF HUMAN RESOURCES	(i)	181,331	48,835	0	11,444	11,224	252,834	0
	(ii)	0	0	0	0	0	0	0
DWIGHT GENTRY JR VP OF ANCILLARY	(i)	181,428	63,870	0	12,066	10,745	268,109	0
	(ii)	0	0	0	0	0	0	0
ANGELA WILLIFORD CHIEF RISK OFFICER	(i)	164,598	37,570	0	12,494	24,026	238,688	0
	(ii)	0	0	0	0	0	0	0
KEVIN LOVETT VP OF FACILITIES	(i)	148,443	40,870	0	10,423	24,652	224,388	0
	(ii)	0	0	0	0	0	0	0
BERNARD MASSEY VP OF FOUNDATION	(i)	145,558	36,962	0	9,079	11,030	202,629	0
	(ii)	0	0	0	0	0	0	0
ROBERT GAJEWSKI DIRECTOR OF PHARMACY	(i)	143,519	3,000	5,029	7,708	24,296	183,552	0
	(ii)	0	0	0	0	0	0	0
DENNIS FINLEY DIRECTOR OF PHYSICAL THERAPY	(i)	121,572	10,000	0	6,697	23,817	162,086	0
	(ii)	0	0	0	0	0	0	0

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
Conway Hospital Inc

Employer identification number
57-0314381

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	SC JOBS - ECONOMIC DEVELOPMENT	57-0960018	83703FFY3	11-01-2012	46,017,931	REFUND OF 2011 BONDS		X		X		X
B	SC JOBS - ECONOMIC DEVELOPMENT	57-0960018		09-30-2011	19,510,000	REFUND 1998 SERIES BOND		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	2,577,931		5,252,395					
2	Amount of bonds legally defeased	0		0					
3	Total proceeds of issue	46,017,931		19,510,000					
4	Gross proceeds in reserve funds	0		0					
5	Capitalized interest from proceeds	0		0					
6	Proceeds in refunding escrows	0		0					
7	Issuance costs from proceeds	607,931		146,084					
8	Credit enhancement from proceeds	0		0					
9	Working capital expenditures from proceeds	0		0					
10	Capital expenditures from proceeds	0		0					
11	Other spent proceeds	45,410,000		19,363,916					
12	Other unspent proceeds	0		0					
13	Year of substantial completion	2009		1998					
14	Were the bonds issued as part of a current refunding issue?	Yes	No	Yes	No	Yes	No	Yes	No
		X		X					
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?	X		X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III

Private Business Use

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

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X		X				
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X		X					
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X				
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
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 %		0 %					
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶								
6	Total of lines 4 and 5								
7	Does the bond issue meet the private security or payment test?		X		X				
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?		X		X				
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X		X					

Part IV

Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X		X				
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?								
b	Exception to rebate?	X		X					
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				
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X				
b	Name of provider	0		0					
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was the hedge terminated?								

Part IV

Arbitrage (Continued)

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

Part V

Procedures To Undertake Corrective Action

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

Part VI

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

Return Reference	Explanation
Description of Purpose	PART I - LINE A, COLUMN (F) THE 2012 SERIES BOND WAS ISSUED TO REFUND THE 2011B SERIES BOND WHICH REFUNDED THE 2007 SERIES BOND WHICH WAS USED TO CONSTRUCT AND RENOVATE A PATIENT TOWER, ADMINISTRATIVE ANNEX, AND CENTRAL ENERGY PLANT AT CONWAY HOSPITAL

Return Reference	Explanation
Description of Purpose	PART I - LINE B, COLUMN (F) THE 2011A SERIES BONDS WERE ISSUED TO REFUND THE OUTSTANDING MATURITIES OF HORRY COUNTY, SOUTH CAROLINA HOSPITAL REVENUE BONDS (CONWAY HOSPITAL, INC) SERIES 1998

2013

Open to Public Inspection

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.

Name of the organization Conway Hospital Inc	Employer identification number 57-0314381
---	--

990 Schedule O, Supplemental Information

Return Reference	Explanation
Business Relationships	
Form 990 Review Process	Form 990, Part VI, Line 11b THE ORGANIZATION'S ACCOUNTING DEPARTMENT PREPARES THE 990 INFO RMATION IN CONSULTATION WITH THE VP OF FISCAL SERVICES AN OUTSIDE ACCOUNTING FIRM PREPARE S THE IRS FORM 990 AND SENDS IT TO THE ACCOUNTING DEPARTMENT AND VP OF FISCAL SERVICES WHO REVIEW THE FORM IN DETAIL THE FORM 990 IS PROVIDED TO ALL BOARD OF TRUSTEE MEMBERS BEFOR E IT IS FILED
Conflict of Interest Policy Monitoring & Enforcement	Form 990, Part VI, Line 12c CONWAY HOSPITAL HAS A CONFLICT OF INTEREST POLICY THAT APPLIES TO THE BOARD OF DIRECTORS, DEPARTMENT HEADS AND EXECUTIVE LEVEL EMPLOYEES ALL OF THESE COVERED PERSONS ARE REQUIRED TO ATTEST IN WRITING ANNUALLY THEIR UNDERSTANDING OF AND COMPLIANCE WITH THIS POLICY, AND TO PROVIDE INFORMATION CONCERNING ANY POSSIBLE CONFLICTS OF INTEREST BOARD MEMBERS DO NOT PARTICIPATE IN VOTING ON MATTERS WHERE A CONFLICT OF INTEREST MAY EXIST DISCLOSURE OF POTENTIAL CONFLICT OF INTEREST EVERY COVERED PERSON MUST SUBMIT IN WRITING TO THE CHIEF EXECUTIVE OFFICER A CONFLICT OF INTEREST DISCLOSURE STATEMENT LISTING ALL FINANCIAL AND/OR POTENTIAL CONFLICTING INTERESTS INDIVIDUALS RESUBMIT UPDATED STATEMENTS EACH YEAR WITH ANY NECESSARY CHANGES OR AS ANY ADDITIONAL CONFLICTING OR FINANCIAL INTEREST ARISES ALL BOARD MEMBERS WILL RECEIVE AN ANNUAL SUMMARY OF THE DISCLOSURES IN ADDITION, THE BOARD CHAIR AND CHIEF EXECUTIVE OFFICER SHALL HAVE DISCLOSURE STATEMENTS AVAILABLE AT THE TIME OF ALL BOARD MEETINGS IN CASE A POTENTIAL CONFLICT ARISES EVERY BOARD MEMBER HAS THE OBLIGATION TO INFORM THE BOARD CHAIR OR THE CHIEF EXECUTIVE OFFICER IF HE/SHE IS AWARE OF AN UNDISCLOSED POTENTIAL FINANCIAL AND/OR CONFLICTING INTEREST OF ANOTHER PERSON COVERED BY THE POLICY IN THE EVENT OF SUCH NOTIFICATION, THE BOARD CHAIR OR CHIEF EXECUTIVE OFFICER SHALL INVESTIGATE THE POSSIBLE UNDISCLOSED INTEREST
Process for Determining Compensation	Form 990, Part VI, Line 15a & 15b THE BOARD EXECUTIVE COMPENSATION COMMITTEE IS RESPONSIBLE FOR REVIEWING AND APPROVING COMPENSATION FOR THE CEO, CFO AND ALL VICE PRESIDENTS AT A MINIMUM OF EVERY THREE YEARS (AND MORE FREQUENTLY WHEN THERE IS TURNOVER IN A POSITION), AN INDEPENDENT CONSULTING COMPANY IS UTILIZED TO PROVIDE APPROPRIATE BENCHMARKED DATA FOR COMPARATIVE POSITIONS TO ASSIST IN DETERMINING COMPENSATION THE CEO AND CFO ARE RESPONSIBLE FOR APPROVING COMPENSATION FOR ALL OTHER POSITIONS THEY UTILIZE INDEPENDENT BENCHMARK DATA GATHERED BY THE SOUTH CAROLINA HOSPITAL ASSOCIATION IN SETTING APPROPRIATE COMPENSATION FOR THOSE POSITIONS
How Documents are Made Available to the Public	Form 990, Part VI, Line 19 CONWAY HOSPITAL MAKES ITS FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST AS WELL AS ATTACHING THEM TO THIS RETURN

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
Conway Hospital Inc

Employer identification number
57-0314381

Part I

Identification of Disregarded Entities

Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

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

Part II

Identification of Related Tax-Exempt Organizations

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) CONWAY LONG-TERM CARE SERVICES INC 300 SINGLETON RIDGE RD CONWAY, SC 29526 57-0875232	HEALTHCARE	SC	501(c)(3)	3	CONWAY HOSP	Yes	
(2) CONWAY HOSPITAL COMMUNITY SERVICES 300 SINGLETON RIDGE RD CONWAY, SC 29526 57-1119337	HEALTHCARE	SC	501(c)(3)	3	CONWAY HOSP	Yes	
(3) CONWAY HOSPITAL EMERGENCY PROF SERVICES 300 SINGLETON RIDGE RD CONWAY, SC 29526 20-8817905	EMERGENCY	SC	501(c)(3)	11 A-I	CONWAY HOSP	Yes	
(4) CONWAY HOSPITAL ANESTHESIA PROF SERVICES 300 SINGLETON RIDGE RD CONWAY, SC 29526 20-8817302	ANESTHESIA	SC	501(c)(3)	11 A-I	CONWAY HOSP	Yes	
(5) CONWAY HOSPITAL FOUNDATION 300 SINGLETON RIDGE RD CONWAY, SC 29526 57-0870199	FUNDRAISING	SC	501(c)(3)	11C-III-FI	CONWAY HOSP		No

Part III

Identification of Related Organizations Taxable as a Partnership

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

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

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) MEDICAL PROPERTIES INC 300 SINGLETON RIDGE RD CONWAY, SC 29526 57-0751357	RENTALS	SC	CONWAY HOSPITAL	C Corp	1,403,721	6,380,022	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.

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 organization 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

b Gift, grant, or capital contribution to related organization(s)

c Gift, grant, or capital contribution from related organization(s)

d Loans or loan guarantees to or for related organization(s)

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

j Lease of facilities, equipment, or other assets to related organization(s)

k Lease of facilities, equipment, or other assets from related organization(s)

l Performance of services or membership or fundraising solicitations for related organization(s)

m Performance of services or membership or fundraising solicitations by related organization(s)

n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

r Other transfer of cash or property to related organization(s)

s Other transfer of cash or property from related organization(s)

Yes

No

1a

No

1b

Yes

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

No

1i

No

1j

Yes

1k

No

1l

Yes

1m

No

1n

Yes

1o

Yes

1p

No

1q

Yes

1r

No

1s

Yes

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			

Schedule R (Form 990) 2013

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.

[illegible]

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: 57-0314381

Name: Conway Hospital Inc

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
CONWAY LONG-TERM CARE SERVICES INC	b	4,883,614	CASH (FMV)
CONWAY HOSPITAL COMMUNITY SERVICES INC	b	17,731,985	CASH (FMV)
CONWAY HOSPITAL EMERGENCY PROF SERVICES	b	4,793,729	CASH (FMV)
CONWAY HOSPITAL ANESTHESIA PROF SERVICES	b	4,551,400	CASH (FMV)
MEDICAL PROPERTIES INC	b	373,827	CASH (FMV)
CONWAY HOSPITAL ANESTHESIA PROF SERVICES	q	2,384,381	COST
CONWAY HOSPITAL EMERGENCY PROF SERVICES	s	3,758,145	COST
CONWAY LONG-TERM CARE SERVICES INC	s	4,948,559	COST
CONWAY HOSPITAL COMMUNITY SERVICES INC	s	12,681,584	COST
MEDICAL PROPERTIES INC	s	1,149,213	COST

Consolidated Financial Statements with Report of
Independent Certified Public Accountants

Conway Hospital, Inc. and Affiliates

September 30, 2014 and 2013

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Audit • Tax • Advisory

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Grant Thornton LLP
1320 Main Street, Suite 500
Columbia, SC 29201-6208
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www.GrantThornton.com

To the Board of Trustees of
Conway Hospital, Inc. and Affiliates:

Report on the financial statements

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

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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 entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis, rather than to present the financial position, results of operations, and cash flows of the individual entities, and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Grant Thornton LLP

Columbia, South Carolina
January 28, 2015

Consolidated balance sheets

September 30	2014	2013
	\$	\$
Assets		
Current assets:		
Cash and cash equivalents	13,277,187	13,885,127
Assets limited as to use	4,709,868	4,708,581
Accounts receivable		
Patients, net of allowances for doubtful accounts of \$34,721,000 in 2014 and \$28,064,000 in 2013	18,559,024	16,669,639
Other receivables, net	333,592	855,666
Supplies inventory	3,200,873	2,852,685
Prepaid expenses	1,692,617	1,513,296
Total current assets	41,773,161	40,484,994
Other receivables	285,511	40,070
Investments in affiliate	960,771	368,571
Beneficial interest in assets held by others	1,608,144	1,479,625
Assets limited as to use	199,729,143	172,570,963
Property and equipment, net	105,372,762	108,949,637
Intangible assets, net	884,016	920,980
Total assets	350,613,508	324,814,840
LIABILITIES AND NET ASSETS		
Current liabilities:		
Payables		
Accounts payable	5,805,507	5,457,130
Estimated third-party payor settlements	5,938,693	6,684,226
Accrued employee compensation and benefits	9,331,873	8,687,545
Current portion of long-term debt	2,671,232	2,533,511
Total current liabilities	23,747,305	23,362,412
Long-term debt, net	56,425,559	59,252,655
Total liabilities	80,172,864	82,615,067
Commitments and contingencies (Note 15)		
Unrestricted net assets		
Net assets of Conway Hospital	267,132,470	239,285,112
Non-controlling interest	1,700,030	1,435,036
Total unrestricted net assets	268,832,500	240,720,148
Temporarily restricted net assets	736,453	664,690
Permanently restricted net assets	871,691	814,935
Total net assets	270,440,644	242,199,773
Total liabilities and net assets	350,613,508	324,814,840

The accompanying notes are an integral part of these consolidated financial statements

Consolidated statements of operations and changes in net assets

For the years ended September 30	2014	2013
	\$	\$
Unrestricted revenue, gains and other support		
Net patient service revenue	217,152,648	197,929,602
Provision for uncollectible accounts	(44,919,449)	(40,119,643)
Net patient service revenue less provision for uncollectible accounts	172,233,199	157,809,959
Other operating revenues	6,919,251	4,578,192
Total unrestricted revenue, gains and other support	179,152,450	162,388,151
Expenses		
Salaries, wages and benefits	96,913,541	91,337,823
Professional fees	12,805,872	12,152,417
Supplies and other	38,956,945	40,276,693
Depreciation and amortization	9,655,753	9,370,715
Interest expense	2,288,876	3,284,815
Total expenses	160,620,987	156,422,463
Operating income	18,531,463	5,965,688
Other income		
Share in net gains of affiliate	190,281	255,438
Investment income	9,599,744	3,258,881
Realized gain on interest rate swap agreement	-	927,474
Unrealized gain on interest rate swap agreement	-	3,784,777
Excess of unrestricted revenue and gains over expenses	28,321,488	14,192,258
Income attributable to non-controlling interest	(763,451)	(606,495)
Excess of revenue and gains over expenses attributable from the Hospital	27,558,037	13,585,763
Other changes in unrestricted net assets		
Change in net unrealized gain on investments	162,828	7,755,941
Contributions received for capital acquisitions	126,493	150,000
Increase / (decrease) in non-controlling interest	264,994	(62,473)
Increase in unrestricted net assets	28,112,352	21,429,231
Increase in temporarily restricted net assets		
Change in restrictions	71,763	103,338
Increase in temporarily restricted net assets	71,763	103,338
Increase in permanently restricted net assets		
Increase in beneficial interest in permanently restricted net assets	56,756	45,364
Increase in permanently restricted net assets	56,756	45,364
Increase in total net assets	28,240,871	21,577,933
Net assets, beginning of year	242,199,773	220,621,840
Net assets, end of year	270,440,644	242,199,773

The accompanying notes are an integral part of these consolidated financial statements

Consolidated statements of cash flows

For the years ended September 30	2014	2013
	\$	\$
Cash flows from operating activities:		
Increase in total net assets	28,240,871	21,577,933
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	9,655,753	9,370,715
Provision for bad debts	44,919,450	40,119,643
Investment income and unrealized gains on investments	(9,762,572)	(10,985,393)
Realized gain on interest rate swap agreement	-	(927,474)
Unrealized gain on interest rate swap agreement	-	(3,784,777)
Loss on disposal of property and equipment	12,293	92,566
Amortization of old issuance cost - Refunded bonds	-	296,922
Share of earnings in affiliates	(205,166)	(481,853)
Change in beneficial interests	(128,519)	(148,702)
Change in non-controlling interest	(264,994)	62,473
Changes in operating assets and liabilities		
Receivables	(46,808,835)	(42,717,588)
Inventories, prepaid expenses, other receivables and estimated third-party payor settlements	(250,874)	2,018,064
Accounts payable and accrued expenses	247,172	386,577
Net cash provided by operating activities	25,654,579	14,879,106
Cash flows from investing activities:		
Purchases of property and equipment	(6,174,399)	(7,646,558)
Proceeds from sales of property and equipment	71,076	227
Sales of investments and assets limited as to use	7,009,219	260,880
Purchases of investments and assets limited as to use	(24,994,058)	(4,260,879)
Capital distributions from affiliates	200,908	571,490
Non-controlling interest distributions (income)	264,994	(62,473)
Net cash used in investing activities	(23,622,260)	(11,137,313)
Cash flows from financing activities:		
Payment to terminate interest rate swap	-	(4,876,826)
Repayment of long-term debt	(2,640,259)	(2,710,275)
Payments for deferred issuance costs	-	(44,998)
Net cash used in financing activities	(2,640,259)	(7,632,099)
Net decrease in cash and cash equivalents	(607,940)	(3,890,306)
Cash and cash equivalents, beginning of year	13,885,127	17,775,434
Cash and cash equivalents, end of year	13,277,187	13,885,127
Supplemental cash flow information - Cash paid during the year for interest	2,282,471	3,274,386
Supplemental noncash information - Additions to property and equipment financed through current liabilities	64,925	91,027
Supplemental cash flow information - Advanced refunding of existing bonds and issuance of new bonds		
Face value of Series 2011B and 2011A Bonds, respectively	-	44,790,000
Cost of Issuance, original issuance discount and premium, net	-	620,000
Refunding of Series 2007 and Series 1998 Bonds, respectively	-	(45,410,000)
	-	-

The accompanying notes are an integral part of these consolidated financial statements

Notes to consolidated financial statements

1 Organization and Summary of Significant Accounting Policies

Organization

Conway Hospital, Inc (Conway Hospital, the Hospital or CHI), located in Conway, South Carolina, is a not-for-profit acute care hospital founded in 1928. The Hospital has 210 licensed beds and provides inpatient, outpatient and emergency care services generally for residents of Horry and surrounding counties. The Hospital is governed by a 15-member self-perpetuating, independent board of directors. Admitting physicians are practitioners in the local area. Conway Hospital Long-Term Care Services, Inc (Kingston Nursing Center) is an 88-bed nursing facility located in Conway, South Carolina. The Nursing Center was incorporated in 1988. Medical Properties, Inc, a wholly owned for-profit subsidiary of the Hospital, operates ASC Holdings and Carolina Bone & Joint. Conway Hospital Emergency Professional Services (CHEPS) and Conway Hospital Anesthesia Professional Services (CHAPS) were both created to keep better track of emergency and anesthesia services performed by the Hospital. Conway Hospital Community Services, Inc, a wholly owned not-for-profit subsidiary, operates employed physician practices.

Principles of Consolidation

The consolidated financial statements include the accounts of the Hospital, CHEPS, CHAPS and Medical Properties, Inc, which have been consolidated with Conway Hospital Long-Term Care Services, Inc and Conway Hospital Community Service. Significant intercompany accounts and transactions have been eliminated in consolidation. All entities, collectively referred to herein as the Hospital, are under common control and, accordingly, are presented in the consolidated financial statements.

The Hospital accounts for its non-controlling interest in two entities in accordance with ASC 810, "Consolidation." Medical Properties, Inc has a 33.3% ownership interest in a surgery center, Carolina Bone & Joint (CBJ), and a 26.3% interest in a leasing company (ASC Holdings). The leasing company's sole function is the leasing of a building to the surgery center. The accompanying consolidated balance sheets include the financial assets and liabilities of these entities. Non-controlling interest represents the equity ownership of the variable interest entities not held by the Hospital. The accompanying consolidated statements of operations and changes in net assets and cash flows include the revenues, expenses and cash flows of the entities.

As noted in Note 6, ASC Holdings is indebted to a commercial bank. The proceeds of the financing were used to purchase land, construct a building and to purchase equipment.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. In addition to the allowance for doubtful accounts, estimates include third-party payor receivables and liabilities, useful lives of capital assets, professional liability and self-insurance accruals.

An allowance for doubtful accounts is provided in an amount equal to the estimated losses to be incurred in the collection of receivables. The allowance is based on historical collection experience and a review of the current aging status of existing receivables.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investment instruments purchased with original maturities of three months or less. The Hospital maintains cash balances in excess of federal government insurance limits. The Hospital has not experienced any losses in such accounts.

The Hospital maintains bank accounts at financial institutions, of which \$2,871,252 is covered by Federal Depository Insurance Corporation (FDIC) and the remaining \$10,405,935 is in excess of the federally insured limits as of September 30, 2014.

Investments and Assets Limited as to Use

Investments are measured at fair value as of the consolidated balance sheet date. Investments are all other-than-trading investments, including investments classified as assets limited as to use. Investment income, including realized gains and losses on investments, dividends and interest from all other investments and cash equivalents, is included in the excess of revenues over expenses. Assets limited as to use include assets set aside by the board for future capital improvements, over which the board retains control and may, at its discretion, subsequently use for other purposes, and assets held by a trustee under indenture agreements. Trusteed assets include unexpended bond funds, amounts paid by the Hospital in accordance with the terms of a trust indenture for semiannual principal and interest payments and replacement of property, plant and equipment.

The Hospital routinely monitors its investment portfolio to assess whether or not any individual investment securities are impaired on an other-than-temporary basis. If any individual security is considered to be impaired, a realized loss is recorded. In assessing whether or not individual securities are impaired, the Hospital considers its intent and ability to hold the security, the length of time the security has been in a loss position and the significance of the loss.

The Hospital's investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the investment balances reported in the consolidated balance sheets.

Investments in Affiliates

Except for its investments in CBJ and ASC Holdings, which are consolidated, the Hospital applies the equity method of accounting for investments where the Hospital owns between 20% and 50% of the affiliated companies and the cost method for investments where the Hospital owns less than 20% of the affiliated company. The Hospital records its share of earnings or losses related to affiliates accounted for by the equity method or cost method, as appropriate. Fair value of the cost method investment is not estimated, unless an impairment indicator is present. There have been no such indicators for the periods presented.

Inventories

Inventories consist of hospital supplies and pharmaceutical drugs and are determined using first in first out (FIFO) basis. Inventories are stated at the lower of weighted average cost or market.

Property and Equipment

Property and equipment are recorded at cost at the date of acquisition or fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 20 years for furniture and equipment and 10 to 40 years for functional components of buildings. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. Gains and losses on sales and retirements are included in operating expenses.

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

Intangible Assets

Intangible assets consist of deferred bond issuance costs and are amortized over the life of the bonds.

Physician Recruitment Loans

Physician recruitment loans consist primarily of income guarantees to new physician practices.

These amounts are capitalized and forgiven according to terms of the contract, which requires the physician to fulfill performance requirements. Loans are amortized straight-line over the life of the loan, which generally ranges from one to two years. These loan balances outstanding are approximately \$286,000 and \$40,000 at September 30, 2014 and 2013, respectively, and are included in other receivables on the consolidated balance sheets.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity.

Excess of Revenues Over Expenses

The statements of operations and changes in net assets include excess of revenues over expenses. Changes in unrestricted net assets, which are excluded from excess of revenues over expenses, include unrealized gains and temporary losses on investments deemed other than trading, non-controlling interest, and contributions of long-lived assets (including assets acquired using contributions which, by donor restriction, were to be used for the purposes of acquiring such assets).

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital 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 net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Charity Care

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The Hospital maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges forgone for services and supplies furnished under its charity care policy, the estimated cost of those services and supplies, and equivalent service statistics.

Other Revenue

The American Recovery and Reinvestment Act of 2009 provides for Medicare and Medicaid incentive payments for eligible hospitals and professionals that implement and achieve meaningful use of certified electronic health record ("EHR") technology. Conway Hospital recognized EHR revenues of \$2,461,969 and \$764,439 for the

years ended September 30, 2014 and 2013, respectively. These amounts are included in other revenue in the consolidated statements of operations and changes in net assets. Conway Hospital's attestation of compliance with the meaningful use criteria is subject to audit by the government or its designee. Additionally, EHR incentive payments received are subject to retrospective adjustment upon final settlement of the applicable cost report from which payments were calculated.

Contributions Received and Contributions Made

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

Estimated Malpractice Costs

The provision for estimated medical malpractice claims includes estimates of the ultimate costs for both reported claims and claims incurred, but not reported. Additionally, there is a receivable recorded for the reported claims covered by the multi-provider captive insurance coverage.

Income Taxes

The Hospital, Kingston Nursing Center and Conway Hospital Community Service are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. CHI has net operating loss carryforwards of approximately \$264,000 at September 30, 2014, which begins expiring in 2022. This carryforward is available to reduce future taxable income and taxes payable. CHI has recorded a full valuation allowance on deferred tax assets. Medical Properties, Inc. is a for-profit corporation. At September 30, 2014, Medical Properties, Inc. has recorded income tax expense of approximately \$308,000. The Hospital continues to evaluate tax positions related to ASC 740, "Income Taxes," which prescribes financial statement recognition threshold and measurement attributes for tax positions taken or expected to be taken in tax returns. As of September 30, 2014, the tax years ended September 30, 2013, 2012 and 2011 for federal jurisdiction remain open to examination.

2 Charity Care

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The Hospital maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges forgone for services and supplies furnished under its charity care policy, the estimated cost of those services and supplies, and equivalent service statistics.

The following information measures the level of charity care provided during the years ended September 30:

	2014	2013
	\$	\$
Charges forgone, based on established rates	17,760,764	18,135,558
Equivalent percentage of charity care patients to patients served	3.30%	3.61%

The estimated cost for the Hospital of providing charity services was \$4,070,640 and \$4,382,460 for the years ended September 30, 2014 and 2013, respectively. These estimates were based on a calculation which applies the ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on the Hospital's total operating expenses divided by gross patient service revenue.

3 Net Patient Service Revenue and Accounts Receivable

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Net patient revenue is presented net of provision for contractual adjustments and other allowances. A summary of the payment arrangement with major third-party payors follows:

Medicare and Medicaid

Inpatient acute-care services rendered to Medicare and 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. Outpatient services rendered to Medicaid program beneficiaries are also paid at prospectively determined rates per discharge. Inpatient nonacute services, certain outpatient services and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost reimbursement methodology. Medicare outpatient services are reimbursed on a prospective payment system. The Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's Medicare and Medicaid cost reports have been audited by the fiscal intermediaries through September 30, 2011. Revisions to prior year's estimates of third-party liabilities resulted in an increase in operating income of approximately \$2,900,000 during the year ended September 30, 2014.

Under legislation pursuant to federal Medicaid law, the Hospital recognized approximately \$8,173,383 and \$8,261,886 in 2014 and 2013, respectively, for amounts received from the South Carolina State Health and Human Services Finance Commission for services provided to a disproportionately high number of low income patients. These disproportionate share payments are in addition to regular Medicaid reimbursement amounts and are paid in quarterly lump-sum payments to qualifying facilities that have provided initial matching funds. Payments under this program are subject to audit and final settlements.

Revenue from the Medicare and Medicaid programs accounted for approximately 27% and 13%, respectively, of the Hospital's net patient revenue for the year ended September 30, 2014, and 30% and 11%, respectively, of the Hospital's net patient revenue for the year ended September 30, 2013. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

The following table sets forth, for the fiscal periods indicated, the Hospital's net patient service revenue before the provision for uncollectible accounts by major payor:

	2014	2013
Medicare	27%	30%
Medicaid	13%	11%
Commercial/managed care/other third-party payors	40%	39%
Self-pay	20%	20%
	100%	100%

Patient receivables are reduced by a contra asset account the allowance for uncollectible accounts. In evaluating the collectability of accounts receivable, Conway Hospital, Inc. analyzes its past history and identifies trends for each of its major payor sources of revenues to estimate the appropriate allowance for doubtful accounts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

For receivables associated with services provided to patients who have third-party coverage, Conway Hospital, Inc. analyzes contractually due amounts and provides an allowance for doubtful accounts, (for example for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely).

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), Conway Hospital, Inc. records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Hospital has not changed its charity care or uninsured discount policies during fiscal years 2014 or 2013. The Hospital does not maintain a material allowance for uncollectible accounts from third-party payors, nor did it have significant write-offs from third-party payors.

Other

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

4 Assets Limited as to Use

Assets limited as to use consist of the following:

At September 30, 2014	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	\$	\$	\$	\$
Internally designated for capital improvements:				
Cash and cash equivalents	11,524,768	-	-	11,524,768
Fixed income securities	97,910,097	632,756	(3,190,674)	95,352,179
Equity securities	75,814,142	22,841,338	(1,093,416)	97,562,064
	185,249,007	23,474,094	(4,284,090)	204,439,011
Less - Current portion				(4,709,868)
	185,249,007	23,474,094	(4,284,090)	199,729,143

Assets limited as to use consist of the following:

At September 30, 2013	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	\$	\$	\$	\$
Internally designated for capital improvements:				
Cash and cash equivalents	3,889,176	-	-	3,889,176
Fixed income securities	95,058,867	2,324,614	(2,821,597)	94,561,884
Equity securities	59,085,331	20,418,567	(675,414)	78,828,484
	158,033,374	22,743,181	(3,497,011)	177,279,544
Less - Current portion	-	-	-	(4,708,581)
	158,033,374	22,743,181	(3,497,011)	172,570,963

Assets whose use is limited that are required for obligations classified as current liabilities are reported as current assets

Contractual maturities of the Hospital's assets limited as to use are as follows as of September 30, 2014:

	Amortized Cost	Fair Value
	\$	\$
Maturing in one year or less	8,279,829	8,987,916
Maturing after one year through three years	12,518,215	10,479,613
Maturing after three years	77,112,053	75,884,650
Total debt securities	97,910,097	95,352,179
Equity securities	75,814,142	97,562,064
Cash and cash equivalents	11,524,768	11,524,768
	185,249,007	204,439,011

Investment income consists of the following for the years ended September 30:

	2014	2013
	\$	\$
Interest and dividends	2,704,758	3,255,127
Realized gain on investments	6,894,986	3,754
	9,599,744	3,258,881

5 Property and Equipment

Property and equipment consists of the following at September 30:

	2014	2013
	\$	\$
Land and land improvements	10,886,882	10,886,883
Buildings	115,603,943	115,134,032
Equipment	93,409,187	89,350,515
	219,900,012	215,371,430
Accumulated depreciation	(114,527,250)	(106,421,793)
	105,372,762	108,949,637

Depreciation expense was \$9,655,753 and \$9,370,715 for the years ended September 30, 2014 and 2013, respectively

6 Long-term Debt

Long-term debt consists of the following obligations at September 30:

	2014	2013
	\$	\$
Hospital Revenue Bonds, Series 2011A , principal payments in varying amounts through 2021, interest payable semi-annually with a fixed rate of 3.00%	14,257,605	16,061,116
Hospital Revenue Bonds, Series 2007 Amended and Restated , principal payments in varying amounts through 2037, interest payable semi-annually with a fixed rate of 4.03%	43,440,000	44,060,000
Commercial bank notes	265,396	482,144
	57,963,001	60,603,260
Unamortized premiums	1,133,790	1,182,906
	59,096,791	61,786,166
Less - Current portion	(2,671,232)	(2,533,511)
	56,425,559	59,252,655

In September 2011, the Series 2011A Revenue Bonds (Bonds) were issued as advanced refunding of the 1998 Series Bonds and to pay certain costs of issuance. The Series 2011A Bonds are limited obligations of the Horry County, South Carolina (the County), payable by the County solely from the loan repayments to be made by the Hospital. The Bonds are collateralized by a pledge of the Hospital's revenue and the funds and accounts established under the Bond Indenture. The Hospital is jointly and severally liable for the obligation.

On November 1, 2012, the Series 2011B Revenue Bonds were refinanced with Public Fixed Rate Debt in the amount of \$44,790,000. The Series 2011B Revenue Bonds were issued to refinance the 2007 Series Bonds. This 2012 refinancing created and authorized to be issued an amended and restated series of Notes. These series of Notes are dated November 1, 2012 and are issued in the form of a single registered note designated as "\$44,790,000 Conway Hospital Inc., Series 3 Note". Upon issuance of the Series 2007 Bonds, there was a premium of \$1,946,195. The Bonds are collateralized by a pledge of the Hospital's revenue and the funds and accounts established under the Bond Indenture. The Hospital is jointly and severally liable for the obligation. The new issue locked in an all-in interest cost of 4.03% and did not require a debt service reserve fund or any new financial covenants. Interest on the bonds is payable semiannually on January 1 and July 1 of each year.

ASC has a commercial bank note collateralized by certain land and property, and is subject to various restrictive covenants that require the affiliated entities to maintain certain debt service coverage ratios and limit the amount of additional capital expenditures and borrowings. If these affiliated entities fail to make payments on these borrowings, then the Hospital would be expected to repay a portion of the outstanding principal of the loan, up to a maximum amount up to 0.26% of outstanding balances owed.

Aggregate maturities of long-term debt, not presented net of premiums or discounts, for each of the next five years at September 30, 2014, are as follows:

	2012 Reissue of Series 2007	2011A	Commercial Bank Notes	Total
	\$	\$	\$	\$
2015	640,000	1,858,366	172,866	2,671,232
2016	655,000	1,914,890	92,531	2,662,421
2017	685,000	1,973,132	-	2,658,132
2018	715,000	2,033,148	-	2,748,148
2019	715,000	2,094,988	-	2,809,988
Thereafter	40,030,000	4,383,081	-	44,413,081
	43,440,000	14,257,605	265,396	57,963,001

The Hospital estimates approximately \$29,000 in amortization of the deferred financing costs each year over the next five years, related to the debt held as of September 30, 2014.

7 Derivative Financial Instruments

Prior to 2014, the Hospital utilized certain derivative financial instruments to manage its risk related to identified cash flow exposures and such derivatives are entered into for periods consistent with the underlying cash flow exposures. The Hospital does not enter into derivative financial instruments for speculative purposes.

In order to reduce its exposure to fluctuations in interest rates relative to the Series 2007 variable rate bonds, the Hospital entered into a fixed-payor interest rate swap effective October 31, 2007, to enable the Hospital to synthetically hedge a portion of its variable rate interest exposure relative to the bonds. With the issuance of the 2011B Bonds, which were issued to refinance the 2007 Series Bonds, the existing interest rate swap was amended with the following terms: this swap obligated the Hospital to pay the counterparty a fixed rate, on a notional amount equal to 70% of the aggregate amortizing principal amount of the bonds outstanding commencing December 1, 2007, and ending July 1, 2037, equal to approximately 3.6% annually. In return, the counterparty paid the Hospital a variable rate on such notional amount equal to 62.5% of LIBOR plus a fixed spread of 0.31%. On August 22, 2013, the Hospital terminated its interest rate swap. During 2013, the Hospital recognized an unrealized gain of approximately \$3,785,000 and a realized gain of \$927,000.

8 Fair Value Measurements

ASC 820, "Fair Value Measurements and Disclosures," establishes a framework for measuring fair value. That framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

That hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under ASC 820 are described below:

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

Level 2 Inputs to the valuation methodology include:

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

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

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

Changes in economic conditions or valuation techniques may require the transfer of financial instruments from one fair value to another. In such instances, the transfer is reported at the beginning of the reporting period. For the years ended September 30, 2014 and 2013, there were no transfers in and out of Level 1, 2, or 3.

The following table sets forth the level, within the fair value hierarchy, Conway Hospital's financial instruments at fair value using the market approach as of September 30, 2014:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash and cash equivalents	11,524,768	-	-	11,524,768
Fixed income securities	-	95,352,179	-	95,352,179
Equity securities	97,562,064	-	-	97,562,064
Assets at fair value	109,086,832	95,352,179	-	204,439,011

The following table sets forth the level, within the fair value hierarchy, Conway Hospital's financial instruments at fair value using the market approach as of September 30, 2013:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash and cash equivalents	3,889,176	-	-	3,889,176
Fixed income securities	-	94,561,884	-	94,561,884
Equity securities	78,828,484	-	-	78,828,484
Assets at fair value	82,717,660	94,561,884	-	177,279,544

9 Operating Leases

The Hospital leases various office and medical equipment under noncancelable operating leases for one- to five-year terms. Rental expense for all operating leases totaled approximately \$988,000 and \$891,000 for the years ended September 30, 2014 and 2013, respectively.

Future minimum lease payments for leases having remaining noncancelable terms in excess of one year are:

	Amount
For the year ending September 30:	\$
2015	974,058
2016	920,789
2017	911,868
2018	823,631
2019	551,077
Thereafter	25,255
	4,206,678

10 Employee Benefit Plans

The Hospital has a noncontributory defined contribution money purchase pension plan covering substantially all employees. Generally, employees who are 18 years of age or older, have completed one year of service and have worked 1,000 hours are eligible to participate in the plan. The Hospital contributes at the end of each plan year (December 31) an amount equal to 5% of each participant's compensation for the preceding plan year. The Hospital contributions in 2014 and 2013 were approximately \$2,749,000 and \$2,420,000, respectively.

The Hospital provides a tax deferred annuity plan under Section 403(b) of the Internal Revenue Code. All employees who are 18 years of age or older may elect to defer a portion of their compensation under the plan. The Hospital does not contribute to this plan.

11 Investment in Affiliates

The Hospital's investment in affiliates consists primarily of the following:

- 30% interest in Coastal Home Care, a provider of home health services and durable medical equipment
- Approximately 0.07% of Premier Health Alliance, LP, a large healthcare alliance

The unaudited financial information of the Hospital's affiliate Coastal Home Care is as follows as of and for the years ended September 30:

	2014	2013
	\$	\$
Total assets	1,032,707	928,562
Total liabilities	16,563	16,716
Total net assets	1,016,143	911,846
Total revenues	1,867,510	1,843,930
Net income	508,882	602,175

The following table summarizes the combined activity of the Hospital's investment in affiliates for the years ended September 30:

	2014	2013
	\$	\$
Balances, beginning of year	368,571	458,208
Current year capital distributions	(200,908)	(571,490)
Share of current year income of affiliates, net	205,166	481,853
Premier conversion income, included in investment income	587,942	-
Balances, end of year	960,771	368,571

Premier Health Alliance, LP, formerly Premier Purchasing Partners, LP, is a national healthcare alliance, which prior to its reorganization and the Initial Public Offering (IPO) of Premier, Inc. on October 1, 2013, was a partnership owned by 181 U.S. Hospitals, health systems and other healthcare organizations (member owners). As part of the Premier IPO, each member owner sold approximately 16% of their investment in Premier for cash. In addition, Premier sold an additional 6% to raise capital for strategic use by Premier. As a result, the health system shareholders now own approximately 78% of Premier, Inc.

In connection with the IPO, each member owner received Class B common units in exchange for their historical interest in Premier. These Class B common units, and their associated Class B common shares, are eligible for exchange into Class A common stock over the next seven years with one-seventh becoming eligible for exchange each October 31, beginning on October 31, 2014 and the last tranche eligible for exchange on October 31, 2020. Member owners have the ability to exchange any eligible units each quarter. In order to be able to retain the Class B common units and have the ability to exchange them, the member owner must continue to be party to a group purchasing organization agreement with Premier.

The Hospital has a primary guarantee of payment and performance of the debt of the affiliated entity ASC Holdings, which has a bank loan of approximately \$257,000 for capital projects. Equipment and property serve as collateral for this loan. The loan is subject to various restrictive covenants that require the affiliated entity to maintain certain debt service coverage ratios and limit the ability to make additional capital expenditures.

12 Concentrations of Credit Risk

Financial instruments that potentially subject the Hospital to concentrations of credit risk consist principally of temporary cash investments and patient receivables. At September 30, 2014 and 2013, substantially all cash and cash equivalents were maintained by a single financial institution. Management believes the credit risk related to these deposits is minimal.

The Hospital provides services to patients without collateral or other proof of ability to pay. An allowance for uncollectible accounts is provided in an amount equal to the estimated losses to be incurred in collection of the receivables. The allowance is based on historical collection experience and a review of the current status of the existing receivables.

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

	2014	2013
Medicare	24%	34%
Medicaid	14%	11%
Other third-party payors	17%	18%
Patients	45%	37%
	100%	100%

13 Medical Malpractice Insurance

The Hospital participates in a multi-provider captive for professional and general liability insurance coverage on a claims-made basis. The Hospital's premiums are accrued based on the experience to date of the participating health care providers. The Hospital would be subject to retroactive premium adjustments should the captive's loss experience exceed premiums. The Hospital has an irrevocable letter of credit in favor of the captive at September 30, 2014, of approximately \$580,000, which expires in October 2016. There were no borrowings under the letter of credit at September 30, 2014. Accruals for incurred but not reported claims totaled approximately \$936,000 and \$875,000 at September 30, 2014 and 2013, respectively.

At September 30, 2013, management is not aware of significant claims, including any unasserted claims or incidents that might lead to significant claims, that are not adequately covered by insurance or estimated liabilities recorded or that would have a material adverse effect on the financial position of the Hospital.

14 Related Foundation

Conway Hospital Foundation, Inc. (the Foundation) is an independent foundation, which was established for the purpose of fostering, supporting and initiating activities for the advancement of the health care objectives of Conway Hospital, Inc. and/or its affiliated organizations and other health care needs in Horry County and the surrounding areas.

At September 30, 2014 and 2013, the Foundation had total assets of \$3,954,705 and \$3,723,191, respectively (unaudited), and total net assets of \$3,914,186 and \$3,691,729, respectively (unaudited).

All of the temporarily restricted and permanently restricted net assets of the Hospital as of September 30, 2014 and 2013 are related to assets held by the Foundation for the benefit of the Hospital.

15 Commitments and Contingencies

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 and government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers.

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 patient services previously billed. Management believes that the Hospital is in compliance with fraud and abuse as well as other applicable government laws and regulations, however, the possibility for future governmental review and interpretation exists.

16 Fair Value of Financial Instruments

The carrying amount reported in the accompanying consolidated balance sheets for cash and cash equivalents, investments and assets limited as to use, accounts receivable, accounts payable, accrued expenses and estimated third-party payor settlements, approximates fair value.

Fair values of the Hospital's revenue bonds are based on current traded value. The fair value of the Hospital's remaining long-term debt is estimated using discounted cash flow analyses, based on the Hospital's current incremental borrowing rates for similar types of borrowing arrangements. The fair values of the Hospital's long-term debt was approximately \$57,963,000 and \$60,603,000 at September 30, 2014 and 2013, respectively.

17 Functional Expenses

The Hospital provides general health care services to residents within its geographic location. Expenses related to providing these services for the years ended September 30 are as follows:

	2014	2013
	\$	\$
Health care services	119,375,166	112,860,955
General and administrative	41,245,821	43,561,508
	160,620,987	156,422,463

18 Subsequent Events

As required by ASC 855, "Subsequent Events," management of Conway Hospital has evaluated events that occurred between September 30, 2014 and January 28, 2015 to determine whether any of those events required recognition or disclosure in the 2014 consolidated financial statements. Other than the matter noted below, Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

Conway entered into an agreement on October 1, 2014, for a \$20 million note to finance the cost of acquiring and installing certain equipment, including information system technology and operating and surgical equipment for various departments. Aggregate maturities, for each of the next five years are as follows:

	Principal	Interest	Total
	\$	\$	\$
2015	2,456,487	360,118	2,816,605
2016	2,733,718	338,941	3,072,659
2017	2,791,125	281,535	3,072,660
2018	2,849,737	222,923	3,072,660
2019	2,909,580	163,080	3,072,660
Thereafter	6,259,353	142,021	6,401,374
	20,000,000	1,508,618	21,508,618

Schedule I - Consolidating balance sheet information

September 30, 2014	Conway Hospital, Inc.	Conway Hospital Long- term Care Services, Inc.	Medical Properties, Inc.	Conway Hospital Community Services, Inc.	Conway Hospital Anesthesia Professional Services	Conway Hospital Emergency Professional Services	Eliminations	Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$
Assets								
Current assets:								
Cash and cash equivalents	10,433,298	222,855	717,551	908,495	290,511	704,477	-	13,277,187
Assets limited as to use	4,709,868	-	-	-	-	-	-	4,709,868
Accounts receivable								
Patients, net of allowances	15,953,557	768,669	168,316	599,436	194,232	874,814	-	18,559,024
Other receivables, net	67,687	-	201,627	64,278	-	-	-	333,592
Supplies inventory	2,979,121	21,366	200,386	-	-	-	-	3,200,873
Prepaid expenses	1,641,747	6,878	29,284	14,708	-	-	-	1,692,617
Total current assets	35,785,278	1,019,768	1,317,164	1,586,917	484,743	1,579,291	-	41,773,161
Other receivables	285,511	-	-	-	-	-	-	285,511
Investments in affiliates	960,771	-	-	-	-	-	-	960,771
Beneficial interest in assets held by others	1,608,144	-	-	-	-	-	-	1,608,144
Assets limited as to use	199,729,143	-	-	-	-	-	-	199,729,143
Property and equipment, net	91,690,797	1,188,152	7,097,127	5,880,259	-	-	(483,573)	105,372,762
Intangible assets, net	734,016	-	150,000	-	-	-	-	884,016
Intercompany investments and receivables	64,410,062	-	-	-	-	-	(64,410,062)	-
Total assets	395,203,722	2,207,920	8,564,291	7,467,176	484,743	1,579,291	(64,893,635)	350,613,508

See accompanying report of independent certified public accountants

Schedule I - Consolidating balance sheet information (cont'd)

September 30, 2014	Conway Hospital, Inc	Conway Hospital Long- term Care Services, Inc	Medical Properties, Inc	Conway Hospital Community Services, Inc	Conway Hospital Anesthesia Professional Services	Conway Hospital Emergency Professional Services	Eliminations	Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$
LIABILITIES								
Current liabilities								
Payables								
Accounts payable	5,420,548	64,169	114,052	157,463	11,292	37,983	-	5,805,507
Estimated third-party payor settlements	5,713,890	224,803	-	-	-	-	-	5,938,693
Accrued employee compensation and benefits	7,274,919	449,205	114,432	1,052,293	441,024	-	-	9,331,873
Current portion of long-term debt	2,498,366	-	172,866	-	-	-	-	2,671,232
Total current liabilities	20,907,723	738,177	401,350	1,209,756	452,316	37,983	-	23,747,305
Deferred gain	483,573	-	-	-	-	-	(483,573)	-
Due to Conway Hospital, Inc	-	3,108,940	1,968,821	34,170,796	14,557,943	2,168,838	(55,975,338)	-
Long-term debt, net	56,341,186	-	84,373	-	-	-	-	56,425,559
Total liabilities	77,732,482	3,847,117	2,454,544	35,380,552	15,010,259	2,206,821	(56,458,911)	80,172,864
Net assets (deficit) and shareholders' equity								
Net assets (deficit), unrestricted	315,863,096	(6,090,699)	-	(27,913,376)	(14,525,516)	(627,530)	426,495	267,132,470
Shareholders' equity								
Additional paid-in-capital	-	4,451,502	3,323,292	-	-	-	(7,774,794)	-
Common stock	-	-	1,000	-	-	-	(1,000)	-
Retained earnings	-	-	1,085,425	-	-	-	(1,085,425)	-
Non-controlling interest	-	-	1,700,030	-	-	-	-	1,700,030
Total unrestricted net assets	315,863,096	(1,639,197)	6,109,747	(27,913,376)	(14,525,516)	(627,530)	(8,434,724)	268,832,500
Temporarily restricted net assets	736,453	-	-	-	-	-	-	736,453
Permanently restricted net assets	871,691	-	-	-	-	-	-	871,691
Total net assets	317,471,240	(1,639,197)	6,109,747	(27,913,376)	(14,525,516)	(627,530)	(8,434,724)	270,440,644
Total liabilities, net assets (deficit) and shareholders' equity	395,203,722	2,207,920	8,564,291	7,467,176	484,743	1,579,291	(64,893,635)	350,613,508

See accompanying report of independent certified public accountants

Schedule II - Consolidating statement of operations information

For the year ended September 30, 2014	Conway Hospital, Inc.	Conway Hospital Long- term Care Services, Inc.	Medical Properties, Inc.	Conway Hospital Community Services, Inc.	Conway Hospital Anesthesia Professional Services	Conway Hospital Emergency Professional Services	Eliminations	Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$
Unrestricted revenue, gains and other support:								
Net patient service revenue	176,856,424	6,664,045	5,643,076	15,368,995	1,999,733	10,620,375	-	217,152,648
Provision for uncollectible accounts	(38,799,643)	-	(99,576)	(4,490)	(155,974)	(5,859,766)	-	(44,919,449)
Net patients service revenues less provision for uncollectible accounts	138,056,781	6,664,045	5,543,500	15,364,505	1,843,759	4,760,609	-	172,233,199
Other operating revenue	6,577,714	29,532	1,379,205	620,065	-	-	(1,687,265)	6,919,251
Total unrestricted revenue, gains and other support	144,634,495	6,693,577	6,922,705	15,984,570	1,843,759	4,760,609	(1,687,265)	179,152,450
Expenses:								
Salaries, wages and benefits	66,513,921	4,748,630	1,626,824	15,534,208	3,710,046	4,786,976	(7,064)	96,913,541
Professional fees	11,110,207	701,391	30,323	1,536,697	97,342	433,289	(1,103,377)	12,805,872
Supplies and other	32,178,444	961,684	3,557,361	2,729,904	91,315	15,061	(576,824)	38,956,945
Depreciation and amortization	8,477,872	182,529	511,851	483,501	-	-	-	9,655,753
Interest expense	2,189,171	93,300	6,405	-	-	-	-	2,288,876
Total expenses	120,469,615	6,687,534	5,732,764	20,284,310	3,898,703	5,235,326	(1,687,265)	160,620,987
Operating income (loss)	24,164,880	6,043	1,189,941	(4,299,740)	(2,054,944)	(474,717)	-	18,531,463
Other income:								
Share in net gains of affiliates	190,281	-	-	-	-	-	-	190,281
Investment income	9,599,729	15	-	-	-	-	-	9,599,744
Excess of unrestricted revenue and gains over (under) expenses	33,954,890	6,058	1,189,941	(4,299,740)	(2,054,944)	(474,717)	-	28,321,488

See accompanying report of independent certified public accountants

Schedule II - Consolidating statement of operations information (cont.)

For the year ended September 30, 2014	Conway Hospital, Inc	Conway Hospital Long- term Care Services, Inc	Medical Properties, Inc	Conway Hospital Community Services, Inc	Conway Hospital Anesthesia Professional Services	Conway Hospital Emergency Professional Services	Eliminations	Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$
Income applicable to non-controlling interests	-	-	(763,451)	-	-	-	-	(763,451)
Excess of unrestricted revenue and gains over (under) expenses from the Hospital	33,954,890	6,058	426,490	(4,299,740)	(2,054,944)	(474,717)	-	27,558,037
Increase in net unrealized gains on investments	162,828	-	-	-	-	-	-	162,828
Contributions received for capital acquisitions	126,193	300	-	-	-	-	-	126,493
Increase in non-controlling interest	-	-	264,994	-	-	-	-	264,994
Increase in unrestricted net assets	34,243,911	6,358	691,484	(4,299,740)	(2,054,944)	(474,717)	-	28,112,352
Increases in temporarily restricted net assets								
Change in restrictions	71,763	-	-	-	-	-	-	71,763
Increase in temporarily restricted net assets	71,763	-	-	-	-	-	-	71,763
Increases in permanently restricted net assets								
Change in beneficial interest in permanently restricted net assets	56,756	-	-	-	-	-	-	56,756
Increase in permanently restricted net assets	56,756	-	-	-	-	-	-	56,756
Increase in total net assets	34,372,430	6,358	691,484	(4,299,740)	(2,054,944)	(474,717)	-	28,240,871

See accompanying report of independent certified public accountants