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Form 990



Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

Information about Form 990 and its instructions is at [www.IRS.gov/form990](http://www.irs.gov/form990)

OMB No 1545-0047

2013

Open to Public Inspection

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

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization

CRAIG HOSPITAL

Doing Business As

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

3425 S CLARKSON STREET

Room/suite

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

ENGLEWOOD, CO 80113

F Name and address of principal officer

MICHAEL FORDYCE

3425 S CLARKSON ST

ENGLEWOOD,CO 80113

H(a) Is this a group return for subordinates?

☐ Yes☒ No

H(b) Are all subordinates included?

☐ Yes☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number

I Tax-exempt status

☒ 501(c)(3) ☐ 501(c) () ☐ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website:

WWW.CRAIGHOSPITAL.ORG

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation

1910

M State of legal domicile

CO

Part I	Summary																																										
Activities & Governance	<div><div>1</div><div>Briefly describe the organization's mission or most significant activities</div><div>SEE SCHEDULE O</div></div>																																										
	<div><div>2</div><div>Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets</div></div>																																										
Revenue	<table><tr><td>3</td><td>Number of voting members of the governing body (Part VI, line 1a)</td><td>18</td></tr><tr><td>4</td><td>Number of independent voting members of the governing body (Part VI, line 1b)</td><td>17</td></tr><tr><td>5</td><td>Total number of individuals employed in calendar year 2013 (Part V, line 2a)</td><td>948</td></tr><tr><td>6</td><td>Total number of volunteers (estimate if necessary)</td><td>200</td></tr><tr><td>7a</td><td>Total unrelated business revenue from Part VIII, column (C), line 12</td><td>0</td></tr><tr><td>7b</td><td>Net unrelated business taxable income from Form 990-T, line 34</td><td>0</td></tr></table>	3	Number of voting members of the governing body (Part VI, line 1a)	18	4	Number of independent voting members of the governing body (Part VI, line 1b)	17	5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	948	6	Total number of volunteers (estimate if necessary)	200	7a	Total unrelated business revenue from Part VIII, column (C), line 12	0	7b	Net unrelated business taxable income from Form 990-T, line 34	0																								
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Part II

Signature Block

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

Sign Here

Signature of officer

2015-08-11

Date

JULIE KEEGAN VICE PRESIDENT OF FINANCE

Type or print name and title

Paid Preparer Use Only

Prnt/Type preparer's name

DORI J EGGETT

Preparer's signature

Date

Check ☐ if self-employed

PTIN

P00645252

Firm's name

EKS&H LLLP

Firm's EIN

46-1497033

Firm's address

7979 E TUFTS AVENUE SUITE 400

DENVER, CO 802372521

Phone no

(303) 740-9400

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2013)

Part III

Statement of Program Service Accomplishments

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

☐ Yes ☒ No

1

Briefly describe the organization's mission

SEE SCHEDULE O

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

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?

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 \$ 61,426,053 including grants of \$ 109,325) (Revenue \$ 78,770,785)

GENERAL HOSPITAL PROVIDES REHABILITATION AND MEDICAL SERVICESEXCLUSIVELY TO PATIENTS WITH SPINAL CORD AND TRAUMATIC BRAININJURY ON BOTH AN INPATIENT AND OUTPATIENT BASIS DURING THE TAXYEAR, THE HOSPITAL PROVIDED 27,416 DAYS OF INPATIENT CARE AND INCURRED THESE EXPENSES IN DOING SO

4b

(Code) (Expenses \$ 2,708,552 including grants of \$) (Revenue \$ 2,708,552)

CRAIG HOSPITAL IS DESIGNATED BY NIDRR AS A MODEL SYSTEM FOR BOTHSPINAL CORD INJURY AND TRAUMATIC BRAIN INJURY CRAIG IS ALSO THETRAUMATIC BRAIN INJURY MODEL SYSTEMS NATIONAL DATA AND STATISTICAL CENTER AND ALSO CONDUCTED SEVERAL OTHER RESEARCH PROJECTS SUPPORTED BY NIDRR, CDC, DOD, OTHER FOUNDATIONS, AND INDUSTRY DURING THE YEAR, CRAIG HOSPITAL'S RESEARCH DEPARTMENT EMPLOYED A STAFF OF 17 AND INCURRED THESE EXPENSES TO SUPPORT THESE CRITICAL RESEARCH PROJECTS

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 ▶ 64,134,605

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II 	4 Yes	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III 	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10 Yes	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII 	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX 	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e	No
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a	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		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <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	Yes	
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	Yes	
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	Yes	
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.	96	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	Yes
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	2a	948
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).		2b	Yes
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?		3a	No
b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.		3b	
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a	No
b If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a	No
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b	No
c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		5c	
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a	No
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b	
7 Organizations that may receive deductible contributions under section 170(c).			
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		7a	No
b If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c	No
d If "Yes," indicate the number of Forms 8282 filed during the year.		7d	
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e	No
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f	No
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g	
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h	
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8	
9 Sponsoring organizations maintaining donor advised funds.			
a Did the organization make any taxable distributions under section 4966?		9a	
b Did the organization make a distribution to a donor, donor advisor, or related person?		9b	
10 Section 501(c)(7) organizations. Enter			
a Initiation fees and capital contributions included on Part VIII, line 12.		10a	
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		10b	
11 Section 501(c)(12) organizations. Enter			
a Gross income from members or shareholders.		11a	
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		11b	
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		12a	
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		12b	
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		13a	
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.		13b	
c Enter the amount of reserves on hand.		13c	
14a Did the organization receive any payments for indoor tanning services during the tax year?		14a	No
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		14b	

Part VI

Governance, Management, and Disclosure

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	18	
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	17	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	Yes
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

Section B. Policies

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <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 ▶JULIE KEEGAN 3425 S CLARKSON ST ENGLEWOOD, CO 801132811 (303) 789-8443

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) LAURIE FENSKE DIRECTOR	2.00	X						0	0	0
(2) MARILYN TAYLOR DIRECTOR	2.00	X						0	0	0
(3) TOM BALAZY MD DIRECTOR	2.00	X						0	0	0
(4) GREG AUSTIN DIRECTOR	2.00	X						0	0	0
(5) JASON REGIER DIRECTOR	2.00	X						0	0	0
(6) VANDY VAN WAGENER DIRECTOR	2.00	X						0	0	0
(7) JANET HOUSER CHAIR ELECT/SECRETARY	2.00	X		X				0	0	0
(8) NAN HINTON DIRECTOR	2.00	X						0	0	0
(9) JUSTIN MONINGER DIRECTOR	2.00	X						0	0	0
(10) HUGH RICE TREASURER/VICE CHAIR	2.00	X		X				0	0	0
(11) DAN MAY PAST CHAIR	2.00	X		X				0	0	0
(12) BILL LINDSAY CHAIR	2.00	X		X				0	0	0
(13) SHELLY MOSES-REED SECRETARY/TREASURER	2.00	X		X				0	0	0
(14) MIKE FORDYCE PRESIDENT & CEO	40.00 8.00	X		X				555,708	0	149,542
(15) MARY SISSEL DIRECTOR	2.00 2.00	X						0	0	0
(16) RAY MENCINI DIRECTOR	2.00	X						0	0	0
(17) KEVIN LOUGHREY DIRECTOR	2.00	X						0	0	0

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) MICHAEL NIXSON DIRECTOR	2 00	X						0	0	0
(19) BETSY MANGONE DIRECTOR	2 00 2 00	X						0	0	0
(20) JULIE KEEGAN VP FINANCE	40 00 2 50			X				251,398	0	62,725
(21) DANA POLONSKY VP CLINICAL SERVICES	40 00			X				204,670	0	66,269
(22) DIANE REINHARD VP PATIENT CARE	40 00			X				207,234	0	66,413
(23) LESTER BUTT DIRECTOR - PSYCHOLOGY	40 00					X		180,019	0	26,492
(24) KENNY HOSACK DIRECTOR - PROVIDER RELATIONS & MKTG	40 00					X		165,235	0	25,944
(25) CYNTHIA HARRISON-FELIX DIRECTOR - RESEARCH	40 00					X		142,199	0	22,373
(26) MARY FELLER EXECUTIVE DIRECTOR - FOUNDATION	0 00 40 00					X		0	186,149	8,776
(27) CHRIS WATKINS DIRECTOR - IT	40 00 0 00					X		152,305	0	25,338
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								1,858,768	186,149	453,872

2Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization▶8

3Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*

3No

4For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? *If "Yes," complete Schedule J for such individual*

4Yes

5Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*

5No

Section B. Independent Contractors

1Complete 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
GE JOHNSON CONSTRUCTION COMPANY 25 N CASCADA AVE COLORADO SPRINGS CO 80903	CONSTRUCTION SERVICES	15,998,686
SWEDISH MEDICAL CENTER 501 E HAMPDEN AVE ENGLEWOOD CO 80013	MEDICAL SERVICES	10,483,134
RTA INC 19 S TEJON ST COLORADO SPRINGS CO 80903	ARCHITECTURE SERVICES	2,249,582
CNS MEDICAL GROUP DEPT 710924 DENVER CO 80271	MEDICAL DIRECTOR/RESEARCH	806,773
HAMMES COMPANY 18000 W SARAH LANE BROOKFIELD WI 53045	PROJECT MANAGEMENT	360,000

2Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶14

Form 990 (2013)

Part VIII

Statement of Revenue

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

			(A)	(B)	(C)	(D)
			Total revenue	Related or exempt function revenue	Unrelated business revenue	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	10,852,058			
	e	Government grants (contributions) 1e	2,708,552			
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	75,755			
	g	Noncash contributions included in lines 1a-1f \$				
	h	Total. Add lines 1a-1f	13,636,365			
Program Service Revenue	2a	MEDICAL SERVICES	Business Code 621110	80,530,003	80,530,003	
	b	PATIENT APARTMENTS	721000	840,253	840,253	
	c	MEDICAL OFFICE RENT	531190	109,081	109,081	
	d					
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f	81,479,337			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)	580,572			580,572
	4	Income from investment of tax-exempt bond proceeds				
	5	Royalties				
	6a	Gross rents	(i) Real (ii) Personal			
	b	Less rental expenses				
	c	Rental income or (loss)				
	d	Net rental income or (loss)				
	7a	Gross amount from sales of assets other than inventory	(i) Securities (ii) Other			
	b	Less cost or other basis and sales expenses				
	c	Gain or (loss)				
	d	Net gain or (loss)	1,231,181			1,231,181
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a			
	b	Less direct expenses	b			
	c	Net income or (loss) from fundraising events				
	9a	Gross income from gaming activities See Part IV, line 19	a			
	b	Less direct expenses	b			
	c	Net income or (loss) from gaming activities				
	10a	Gross sales of inventory, less returns and allowances	a			
	b	Less cost of goods sold	b			
	c	Net income or (loss) from sales of inventory				
		Miscellaneous Revenue	Business Code			
	11a	OTHER REVENUE	900099	1,377,558	1,377,558	
	b	REIMB GRANT INDIR	900099	495,280	495,280	
	c	RDS REVENUE	900099	63,074	63,074	
	d	All other revenue				
	e	Total. Add lines 11a-11d	1,935,912			
	12	Total revenue. See Instructions	98,863,367	83,415,249	0	1,811,753

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.	109,325	109,325		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.				
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.				
4	Benefits paid to or for members.				
5	Compensation of current officers, directors, trustees, and key employees.	1,643,484		1,643,484	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).				
7	Other salaries and wages.	35,809,214	29,783,035	6,026,179	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	2,479,181	2,092,627	386,554	
9	Other employee benefits.	5,948,550	5,130,843	817,707	
10	Payroll taxes.	2,633,991	2,216,024	417,967	
11	Fees for services (non-employees):				
a	Management.				
b	Legal.	231,384		231,384	
c	Accounting.	76,721		76,721	
d	Lobbying.	59,415		59,415	
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.	138,065		138,065	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	12,031,646	11,828,961	202,685	
12	Advertising and promotion.	576,539		576,539	
13	Office expenses.	1,244,539	737,343	507,196	
14	Information technology.	1,886,575		1,886,575	
15	Royalties.				
16	Occupancy.	1,319,494	1,097,443	222,051	
17	Travel.	485,546	198,348	287,198	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	48,023		48,023	
20	Interest.	24,667		24,667	
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	5,149,979	3,340,972	1,809,007	
23	Insurance.	308,197		308,197	
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	3,256,479	3,252,636	3,843	
b	RESEARCH EXPENSE	2,708,552	2,708,552		
c	FOOD EXPENSE	875,716	846,380	29,336	
d	MINOR EQUIPMENT/REPAIR	628,685	552,155	76,530	
e	All other expenses	401,584	239,961	161,623	
25	Total functional expenses. Add lines 1 through 24e.	80,075,551	64,134,605	15,940,946	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		4,454,131	1	4,548,752
	2	Savings and temporary cash investments		28,050,023	2	29,838,575
	3	Pledges and grants receivable, net		386,105	3	422,403
	4	Accounts receivable, net		19,744,033	4	17,190,612
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		512,110	8	576,992
	9	Prepaid expenses and deferred charges		1,026,592	9	925,348
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a147,274,274			
	b	Less accumulated depreciation	10b46,169,751	63,215,336	10c	101,104,523
	11	Investments—publicly traded securities		62,177,342	11	46,867,816
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		1,459,687	15	1,789,930
	16	Total assets. Add lines 1 through 15 (must equal line 34)		181,025,359	16	203,264,951
Liabilities	17	Accounts payable and accrued expenses		16,401,682	17	20,823,380
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		37,595,000	20	36,970,000
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D			25	
	26	Total liabilities. Add lines 17 through 25		53,996,682	26	57,793,380
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		127,028,677	27	145,471,571
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
	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		127,028,677	33	145,471,571
	34	Total liabilities and net assets/fund balances		181,025,359	34	203,264,951

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	98,863,367
2	Total expenses (must equal Part IX, column (A), line 25)	2	80,075,551
3	Revenue less expenses Subtract line 2 from line 1	3	18,787,816
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	127,028,677
5	Net unrealized gains (losses) on investments	5	-344,922
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	145,471,571

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		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	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	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?	Yes	
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	Yes	

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 CRAIG HOSPITAL	Employer identification number 84-0404233
--	--

Part I

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

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

- 1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state _____
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9

☐

An organization that normally receives (1) more than 33¹/₃% 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 33¹/₃% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
- 11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Non-functionally integrated

e

☐

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

f

☐

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

g

☐

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

(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?

h

☐

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 CRAIG HOSPITAL	Employer identification number 84-0404233
--	--

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?	Yes		48,000	
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No		
	i Other activities?	Yes		11,415	
j	Total Add lines 1c through 1i			59,415	
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No		
b	If "Yes," enter the amount of any tax incurred under section 4912				
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912				
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?				

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

Return Reference	Explanation
PART II-B, LINE 1	LINE I - OTHER ACTIVITIES. THE PORTION OF DUES PAID TO OTHER ORGANIZATIONS WHICH WAS USED FOR LOBBYING.

[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 CRAIG HOSPITAL	Employer identification number 84-0404233
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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	2,980,065	1,610,984	5,660,063	5,891,806	5,504,902
b Contributions	8,000	1,421,364	13,940	16,145	39,957
c Net investment earnings, gains, and losses	166,189	249,411	919,369	-244,941	346,947
d Grants or scholarships					
e Other expenditures for facilities and programs	64,881	301,694	4,982,388	2,947	
f Administrative expenses					
g End of year balance	3,089,373	2,980,065	1,610,984	5,660,063	5,891,806

- 2

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

Board designated or quasi-endowment

☐
- b

Permanent endowment

☐ 81 000 %
- c

Temporarily restricted endowment

☐ 19 000 %
- 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		6,651,278		6,651,278
b Buildings		82,146,141	14,828,107	67,318,034
c Leasehold improvements				
d Equipment		50,736,635	30,994,642	19,741,993
e Other		7,740,220	347,002	7,393,218
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				101,104,523

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	92,541,531
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	-344,920
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII)	2d	-5,576,846
e	Add lines 2a through 2d	2e	-5,921,766
3	Subtract line 2e from line 1	3	98,463,297
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	138,065
b	Other (Describe in Part XIII)	4b	262,005
c	Add lines 4a and 4b	4c	400,070
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	98,863,367

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	79,652,108
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	-285,378
e	Add lines 2a through 2d	2e	-285,378
3	Subtract line 2e from line 1	3	79,937,486
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	138,065
b	Other (Describe in Part XIII)	4b	
c	Add lines 4a and 4b	4c	138,065
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	80,075,551

Part XIII

Supplemental Information

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

Return Reference	Explanation
PART V, LINE 4	ENDOWMENT FUNDS, WHICH ARE HELD BY THE CRAIG HOSPITAL FOUNDATION, A RELATED ORGANIZATION, SERVE A VARIETY OF PURPOSES INCLUDING SUPPORTING GRADUATES, PATIENT ASSISTANCE PROGRAMS, PRESIDENT'S LEADERSHIP FUND AND GENERAL PURPOSES
PART X, LINE 2	THE HOSPITAL APPLIES A MORE-LIKELY-THAN-NOT MEASUREMENT METHODOLOGY TO REFLECT THE FINANCIAL STATEMENT IMPACT OF UNCERTAIN TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN. AFTER EVALUATING THE TAX POSITIONS TAKEN, NONE ARE CONSIDERED UNCERTAIN, THEREFORE NO AMOUNTS HAVE BEEN RECOGNIZED AS OF SEPTEMBER 30, 2014 AND 2013. IF INCURRED, INTEREST AND PENALTIES ASSOCIATED WITH THE TAX POSITIONS ARE RECORDED IN THE PERIOD ASSESSED IN OTHER PROGRAMS AND COST. NO INTEREST OR PENALTIES HAVE BEEN ASSESSED AS OF SEPTEMBER 30, 2014 AND 2013. TAX YEARS THAT REMAIN SUBJECT TO EXAMINATION INCLUDE 2011 THROUGH THE CURRENT PERIOD FOR THE FEDERAL RETURN AND 2010 THROUGH CURRENT PERIOD FOR THE COLORADO RETURN.
PART XI, LINE 2D - OTHER ADJUSTMENTS	FAS 136 RESTATEMENT - FOUNDATION NET INCOME -5,576,846
PART XI, LINE 4B - OTHER ADJUSTMENTS	SUBSIDY FROM FOUNDATION 285,395 RDS NET INCOME -23,390
PART XII, LINE 2D - OTHER ADJUSTMENTS	SUBSIDY FROM FOUNDATION -285,395 MISC RECLASS 17

[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
CRAIG HOSPITAL

Employer identification number
84-0404233

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 type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>30000 0000000000 %</u> 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 type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>50000 0000000000 %</u> 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"?	3a	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	3b	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	4	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?	5a	Yes	
6a	Did the organization prepare a community benefit report during the tax year?	5b		No
b	If "Yes," did the organization make it available to the public?	5c		
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H	6a		No
		6b		

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)			684,496	0	684,496	0 850 %
b Medicaid (from Worksheet 3, column a)			7,567,542	3,415,113	4,152,429	5 190 %
c Costs of other means-tested government programs (from Worksheet 3, column b) . .						
d Total Financial Assistance and Means-Tested Government Programs . .			8,252,038	3,415,113	4,836,925	6 040 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			605,784	0	605,784	0 760 %
f Health professions education (from Worksheet 5)			107,458	0	107,458	0 130 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)			2,708,552	2,708,552		
i Cash and in-kind contributions for community benefit (from Worksheet 8)			109,325	0	109,325	0 140 %
j Total Other Benefits			3,531,119	2,708,552	822,567	1 030 %
k Total . Add lines 7d and 7j . .			11,783,157	6,123,665	5,659,492	7 070 %

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						
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy						
8Workforce development						
9Other						
10Total						

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1Did the organization report bad debt expense in accordance with Heathcare 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

46,441

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

0

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

5,125,569

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

6

8,380,921

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

7

-3,255,352

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

No

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

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)

CRAIG HOSPITAL

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)

1

	Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 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 checked="" 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>12</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>WWW.CRAIGHOSPITAL.ORG</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 Yes	
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	No
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No		
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		9	Yes		
10 Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>300 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		10	Yes		
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>500 00000000000000</u> % 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 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 checked="" 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 checked="" 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 type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms					
d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices					
e <input 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?				17	No
If "Yes," check all actions in which the hospital facility or a third party engaged					
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	No
a <input checked="" 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	No
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

Part V

Facility Information (continued)

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

Form and Line Reference	Explanation
See Additional Data Table	

Part V

Facility Information *(continued)*

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

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

Name and address	Type of Facility (describe)
1 _____	
2 _____	
3 _____	
4 _____	
5 _____	
6 _____	
7 _____	
8 _____	
9 _____	
10 _____	

Part VI

Supplemental Information

Provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Form and Line Reference	Explanation
PART I, LN 7 COL(F)	BAD DEBT EXPENSE IS RECORDED WHEN ALL INTERNAL COLLECTION EFFORTS HAVE BEEN EXHAUSTED AND THE ACCOUNT IS FLAGGED AS DELINQUENT ANY RECOVERIES ARE NETTED AGAINST EXPENSE BASED ON THE COMMUNITY THAT WE SERVE,IT IS OFTEN DIFFICULT FOR PATIENTS TO FULFILL THEIR PAYMENT OBLIGATION DUE TO THEIR CURRENT AND FUTURE OUT OF POCKET HEALTH CARE COSTS RELATED TO THEIR DISABILITY AND THE POSSIBLE IMPACT ON THEIR ABILITY TO EARN INCOME

Form and Line Reference	Explanation
PART III, LINE 2	THE HOSPITAL CONTINUED TO FOLLOW THE PRESENTATION AND DISCLOSURE OF PATIENT SERVICE REVENUE, PROVISION FOR BAD DEBTS AND THE ALLOWANCE FOR DOUBTFUL ACCOUNTS AS PRONOUNCED IN ACCOUNTING STANDARDS UPDATES (ASU) #2011-07 AND ACCOUNTING STANDARDS CODIFICATION TOPIC 954 THIS REQUIRES ORGANIZATIONS THAT DO NOT ACCESS THE COLLECTABILITY OF A RECEIVABLE PRIOR TO RECOGNIZING REVENUE TO PRESENT THEIR PROVISION FOR BAD DEBT RELATED TO PATIENT SERVICE REVENUE AS A DEDUCTION FROM REVENUE, NET OF ANY CONTRACTUAL ALLOWANCES AND DISCOUNTS ON THEIR STATEMENT OF OPERATIONS THE ADOPTION OF THIS DID NOT IMPACT THE FINANCIAL STATEMENTS AS THE HOSPITAL DOES NOT RECOGNIZE SIGNIFICANT REVENUE WITHOUT ASSESSING A PATIENT'S ABILITY TO PAY

Form and Line Reference	Explanation
PART III, LINE 8	THE SOURCE OF DATA IS FILED MEDICARE COST REPORT MEDICARE PAYMENT RECEIVED IS INSUFFICIENT TO COVER COSTS OF PROVIDING CARE

Form and Line Reference	Explanation
PART VI, LINE 2	IN ADDITION TO CONDUCTING ITS ANNUAL CHNA, CRAIG HOSPITAL ASSESSES COMMUNITY NEEDS THROUGH A VARIETY OF DIFFERENT PROGRAMS AS A CONDITION OF FEDERAL GRANT FUNDING, CRAIG HOSPITAL'S RESEARCH DEPARTMENT CONDUCTS ONGOING LONGITUDINAL STUDIES ON THE LONG-TERM EFFECTS AND NEEDS OF PERSONS WITH SPINAL CORD INJURY (SCI) AND BRAIN INJURY CRAIG HOSPITAL ALSO OPERATES A TOLL-FREE NURSE ADVICE LINE AND COLLECTS DATA ON WHY FORMER PATIENTS CALL FOR ASSISTANCE CRAIG HOSPITAL ALSO COLLABORATES WITH THE BRAIN INJURY ALLIANCE OF COLORADO, ROCKY MOUNTAIN HUMAN SERVICES, THE HANGOUT, THE CHRISTOPHER & DANA REEVE PEER NETWORK PROGRAM, AND OTHER COMMUNITY ORGANIZATIONS TO ASSESS AND MEET THE LONG TERM NEEDS OF CITIZENS WITH DISABILITIES

Form and Line Reference	Explanation
PART VI, LINE 3	<p>THE ADMISSIONS DEPARTMENT IDENTIFIES PATIENTS WHO HAVE LIMITED BENEFITS AND COMPARE THE BENEFITS TO THE ESTIMATED LENGTH OF STAY WHEN THERE IS A SHORTAGE OF DAYS ALLOWED THROUGH INSURANCE, THE ADMISSIONS DIRECTOR WILL HAVE A DISCUSSION WITH THE PATIENT/FAMILY TO DETERMINE ALTERNATIVE COVERAGE THIS DISCUSSION ENCOMPASSES THE PATIENT/FAMILY'S ABILITY TO PAY FOR THE CARE, POTENTIAL ELIGIBILITY FOR FEDERAL AND STATE PROGRAMS, AND THE CHARITY CARE PROGRAM UPON ADMISSION TO THE HOSPITAL, THE SOCIAL WORKERS/CASE MANAGERS COMPLETE A THOROUGH PSYCHO-SOCIAL ASSESSMENT OF THE PATIENT/FAMILY SPECIFICALLY EXPLORING FINANCIAL STATUS THE CASE MANAGERS CONSIDER HOUSE HOLD INCOME POST-INJURY, FAMILY SIZE, ASSETS, CURRENT AND FUTURE LIVING EXPENSES, AND FINANCIAL OBLIGATIONS INCLUDING EXPECTATIONS OF FUTURE CARE NEEDS THE CASE MANAGERS, ALONG WITH THE PATIENT/FAMILY, ASSESS OTHER POTENTIAL RESOURCES/PROGRAMS FOR WHICH THE PATIENT MAY QUALIFY RESOURCES AND PROGRAMS EVALUATED INCLUDE, BUT ARE NOT LIMITED TO MEDICAID, CICIP, VICTIM'S ASSISTANCE, LIABILITY AND LIQUIDITY, ACCIDENTAL DEATH AND DISMEMBERMENT, AND THE CHARITY CARE PROGRAM IF IT APPEARS AS THOUGH THE PATIENT WILL QUALIFY FOR STATE OR FEDERAL PROGRAMS, THE CASE MANAGER WILL ASSIST THE PATIENT /FAMILY IN COMPLETING THE APPLICATIONS, OBTAINING THE REQUIRED DOCUMENTATION AND IN ADVISING THEM HOW TO POSITION THEMSELVES TO QUALIFY IF PATIENTS DO NOT MEET THE CRITERIA FOR OTHER STATE OR FEDERAL PROGRAMS, THE FINANCIAL ASSISTANCE ELIGIBILITY DISCOUNT GUIDELINE IS UTILIZED TO DETERMINE IF THE PATIENT'S BILL WILL BE DISCOUNTED IF APPROPRIATE, THE CASE MANAGER WILL INITIATE AND ASSIST THE PATIENT/FAMILY IN COMPLETING THE FINANCIAL ASSISTANCE APPLICATION FOR THE CHARITY CARE PROGRAM APPLICATIONS MAY ALSO BE OBTAINED ON THE CRAIG WEBSITE, COMPLETED OVER THE PHONE OR VIA MAIL IF IT IS NOT CLEAR THAT THE PATIENT/FAMILY WILL HAVE A BALANCE PRIOR TO DISCHARGE (CO-PAYS, OUT OF POCKET, ETC) THE PATIENT/FAMILY WILL RECEIVE INFORMATION ON THE CHARITY CARE PROGRAM WHICH IS NOTED ON THE MONTHLY BILLING STATEMENTS AND THE COPY OF APPLICATION ALONG WITH LETTER FOR PRE-COLLECTION AT THIS TIME THE PATIENT CAN COMPLETE THE APPLICATION ALL APPLICATIONS ARE REVIEWED BY THE A/R MANAGER, VICE PRESIDENT OF FINANCE AND/OR THE CONTROLLER WHEN IT IS DETERMINED THAT THE CHARITY IS APPROPRIATE, THIS IS COMMUNICATED TO THE PATIENT/FAMILY BY THE CASE MANAGER OR THE ACCOUNTS RECEIVABLE MANAGER</p>

Form and Line Reference	Explanation
PART VI, LINE 4	<p>AS ONE OF THE MOST RECOGNIZED SPECIALTY REHABILITATION AND RESEARCH HOSPITALS IN THE WORLD FOR PATIENTS WITH SPINAL CORD AND BRAIN INJURY, CRAIG HOSPITAL CONTRIBUTES TO THE LOCAL, STATE, AND NATIONAL COMMUNITIES IN MYRIADS OF WAYS IN THE AREAS OF EDUCATION, DISABILITY AWARENESS TRAINING, HANDICAP ACCESSIBILITY, AND OTHER FORMS OF SUPPORT DURING FY 2014, THE HOSPITAL PROVIDED FINANCIAL ASSISTANCE, COMMUNITY SUPPORT, AND SUBSIDIZED HEALTH SERVICES FROM GOVERNMENT PROGRAMS TOTALING \$8 91 MILLION AS A NON-PROFIT FREE STANDING HOSPITAL, CRAIG HOSPITAL HAS 948 FULL-TIME AND PART TIME EMPLOYEES AND UTILIZES 200 ACTIVE VOLUNTEERS FROM THE COMMUNITY CRAIG HOSPITAL IS THE LARGEST MEDICAL/REHABILITATION HOSPITAL IN COLORADO SERVING PATIENTS WITH SPINAL CORD INJURY (SCI) AND TRAUMATIC BRAIN INJURY (TBI) AND SERVES THE LARGEST PERCENTAGE OF THE 150 NEWLY INJURED SCI AND 5,000 TBI PATIENTS PER YEAR IN COLORADO, WITH INPATIENT, OUTPATIENT, AND LONG-TERM FOLLOW-UP SERVICES THERE ARE APPROXIMATELY 2,400 PEOPLE WITH SCI AND 175,000 WITH TBI LIVING IN COLORADO APPROXIMATELY 50% OF CRAIG HOSPITAL'S PATIENTS ARE COLORADO RESIDENTS WHILE THE REMAINING COME FROM VIRTUALLY EVERY OTHER STATE, AND EVEN SOME FROM FOREIGN COUNTRIES THE AVERAGE AGE OF OUR PATIENTS IS 40 YEARS OLD, 75% ARE MALE, AND ALL COME FROM VARIED SOCIO-ECONOMIC BACKGROUNDS CRAIG HOSPITAL PROVIDES SIGNIFICANT SUPPORT TO THE COMMUNITY, SUPPORTING THE BRAIN INJURY ALLIANCE OF COLORADO, CONDUCTING ANNUAL OUTPATIENT CLINICS IN PUEBLO AND GRAND JUNCTION, COLORADO AND CASPER, WYOMING, SERVING ON MULTIPLE BOARDS FOR STATE AGENCIES AND ORGANIZATIONS (TBI TRUST FUND, DIVISION OF WORKERS COMPENSATION TBI MEDICAL TREATMENT GUIDELINES, ROCKY MOUNTAIN HUMAN SERVICES, COLORADO BRAIN INJURY PROFESSIONALS NETWORK, THE HANGOUT NETWORK AND OTHERS), OFFERING FINANCIAL SCHOLARSHIPS FOR CRAIG GRADUATES" FOR HIGHER EDUCATION, AND FINANCIALLY SUPPORTING MORE THAN 100 LOCAL, REGIONAL, AND NATIONAL ORGANIZATIONS EACH YEAR CRAIG HOSPITAL COLLABORATES ON PATIENT RESEARCH AND TECHNOLOGY WITH SEVERAL LOCAL COLLEGES AND UNIVERSITIES IN THE PAST FIVE YEARS, CRAIG HOSPITAL HAS SERVED MORE THAN 2,000 INPATIENTS WITH CATASTROPHIC SPINAL CORD AND BRAIN INJURIES, OF WHICH APPROXIMATELY ONE HALF WERE FROM COLORADO IN THE SAME TIME PERIOD, CRAIG HOSPITAL SERVED MORE THAN 15,000 OUTPATIENTS, OF WHICH THREE QUARTERS WERE FROM COLORADO THESE NUMBERS DO NOT INCLUDE PATIENT SUPPORT SYSTEMS AND COMMUNITY MEMBERS- FAMILIES, FRIENDS, CO-WORKERS, AND EMPLOYERS IN 2013 CRAIG COMMISSIONED THE UNIVERSITY OF COLORADO LEEDS SCHOOL OF BUSINESS TO RESEARCH CRAIG'S FINANCIAL COMMUNITY IMPACT, AND IT IS ESTIMATED THAT IN 2013 CRAIG CONTRIBUTED \$155 6 MILLION IN ECONOMIC IMPACT IN COLORADO CRAIG HOSPITAL'S PATIENT OUTCOMES ARE SUPERIOR IN COMPARISON TO VIRTUALLY EVERY REGIONAL AND NATIONAL AVERAGE IN THE MOST IMPORTANT MEASURES OF REHABILITATION OUTCOMES ON AVERAGE, CRAIG GRADUATES ARE MORE DEPENDENT WHEN THEY ARE ADMITTED, FUNCTIONALLY MAKE GREATER GAINS DURING THEIR INITIAL TREATMENT, ARE DISCHARGED HOME AT HIGHER RATES, RETURN TO WORK OR SCHOOL IN GREATER NUMBERS, ARE MORE FUNCTIONALLY INDEPENDENT AND REQUIRE LESS ATTENDANT CARE, HAVE FEWER RE-HOSPITALIZATIONS, HAVE HIGHER LEVELS OF COMMUNITY REINTEGRATION AND SATISFACTION WITH LIFE, AND HAVE HIGHER EARNING POWER THAN THEIR NATIONAL PEER GROUP TREATED IN OTHER REHABILITATION PROGRAMS OUR EXCEPTIONAL OUTCOMES VALIDATE THAT REHABILITATION IS AN INVESTMENT IN LONG-TERM SOCIETAL VALUE WHEN WE HELP PATIENTS BECOME AS INDEPENDENT AND PRODUCTIVE AS POSSIBLE, IT IS IN THEIR BEST INTEREST-AS WELL AS IN THE BEST INTEREST OF THEIR FAMILY, EMPLOYER, INSURANCE CARRIER, TAXPAYERS, AND TO THE COMMUNITY AS A WHOLE CRAIG HAS RECEIVED THE PRESTIGIOUS MAGNET RECOGNITION FOR QUALITY IN NURSING IN 2005-2010 AND AGAIN IN 2011-2015 AND THE MAGNET PRIZE AWARD IN 2012 CRAIG HAS ALSO BEEN RANKED AS A TOP TEN REHABILITATION CENTER BY U S NEWS AND WORLD REPORT FOR 25 CONSECUTIVE YEARS AND IN 2013 AND 2014 WAS VOTED BY EMPLOYEES AS A "TOP WORK PLACE BY THE DENVER POST NEWSPAPER ANOTHER RECENT ACCOMPLISHMENT IS THE NURSE ADVICE LINE, WHICH IS A TOLL FREE NATIONAL ADVICE LINE, WHICH HAS WON NATIONAL AWARDS CRAIG HOSPITAL IS THE FIRST HOSPITAL IN COLORADO TO HAVE GROUP SPECIAL LICENSE PLATES WHICH WERE APPROVED BY THE 2011 LEGISLATURE EACH YEAR, CRAIG HOSPITAL STAFF AND PHYSICIANS RECEIVE NATIONAL AWARDS, AND IN 2014, CRAIG HOSPITAL STAFF AND PHYSICIANS WON SEVERAL MAJOR AWARDS CRAIG HOSPITAL IS PIONEERING ADAPTIVE TECHNOLOGY AND CUTTING EDGE TREATMENT, AND IN 2011 CRAIG HOSPITAL FOUNDED THE PEAK CENTER AT CRAIG HOSPITAL, A STATE-OF-THE ART WELLNESS AND FITNESS PROGRAM FOR INPATIENTS, OUTPATIENTS, AND COMMUNITY MEMBERSHIPS</p>

Form and Line Reference	Explanation
PART VI, LINE 5	<p> CRAIG HOSPITAL'S PURPOSE IS TO PROVIDE PATIENT CARE, EDUCATION AND RESEARCH THE BOARD OF DIRECTORS OF CRAIG HOSPITAL HAS ULTIMATE AUTHORITY IN EXTENDING PRIVILEGES ONLY TO PROFESSIONALLY COMPETENT PHYSICIANS, DENTISTS AND PODIATRISTS, LICENSED TO PRACTICE IN THE STATE OF COLORADO THERE ARE 215 PHYSICIANS ON THE MEDICAL STAFF OF CRAIG HOSPITAL, EACH ASSIGNED TO ONE OF FIVE SEPARATE MEDICAL STAFF CATEGORIES THE MEDICAL STAFF OF CRAIG HOSPITAL IS ORGANIZED AND OPERATES UNDER THE GUIDANCE OF THE MEDICAL STAFF BYLAWS, MEDICAL STAFF RULES AND REGULATIONS AND MEDICAL STAFF POLICIES AND PROCEDURES THE ORGANIZED MEDICAL STAFF IS ACCOUNTABLE TO THE GOVERNING BODY FOR THE QUALITY OF CARE, TREATMENT AND SERVICES PROVIDED TO PATIENTS BY THE PRACTITIONERS WITH PRIVILEGES THE MEDICAL STAFF IS RESPONSIBLE FOR ESTABLISHING AND MAINTAINING PATIENT CARE STANDARDS, CREDENTIALING AND DELINEATION OF CLINICAL PRIVILEGES ADDITIONALLY, THERE ARE 60 ALLIED HEALTH PROFESSIONALS, CATEGORIZED AS EITHER INDEPENDENT OR PHYSICIAN DIRECTED WHOM FUNCTION WITHIN ONE OR MORE HEALTH-RELATED PROFESSIONS OR OCCUPATIONS THE HOSPITAL USES EXCESS FUNDS TO FUND CAPITAL IMPROVEMENTS, EQUIPMENT FOR PATIENT PROGRAMS, AND PATIENT EDUCATION THE HOSPITAL PROVIDES LONG-TERM COMMUNITY SUPPORT THROUGH MULTIPLE PROGRAMS SUCH AS -TOLL-FREE NURSE ADVICE LINE-ON-LINE FREE EDUCATIONAL MATERIALS RESOURCE LIBRARY TOOL ON CRAIG HOSPITAL'S WEBSITE, WWW.CRAIGHOSPITAL.ORG, AND SOCIAL MEDIA- FACEBOOK, TWITTER, LINKED IN, YOUTUBE, INSTAGRAM, AND BLOG -OUTREACH SCI CLINICS ANNUALLY IN PUEBLO, GRAND JUNCTION, CO AND CASPER, WY -\$100K SUPPORT PER YEAR TO COMMUNITY ORGANIZATIONS-\$10K SUPPORT PER YEAR TO BRAIN INJURY ALLIANCE OF COLORADO + BOARD MEMBER-STAFF SERVES ON HUNDREDS OF COMMUNITY ORGANIZATIONS-PUBLISH 15 PAPER CHAPTERS PER YEAR IN PROFESSIONAL LITERATURE- 88 PRESENTATIONS PER YEAR ON SCI/TBI-CHAired ROCKY MOUNTAIN HUMAN SERVICES MILITARY PROGRAM-CHAired COLORADO BL PROFESSIONALS NETWORK MEETING-NIDRR MODEL SYSTEM CENTER FOR SCI AND TBI-ALUMNI HIGHER EDUCATION SCHOLARSHIP PROGRAM-CU, SCHOOL OF MINES, DU ADAPTIVE TECHNOLOGY COLLABORATIONS- ACCESSIBLE HOMES COLLABORATIONS-Q & A FEATURE ON HEALTH MATTERS ON CRAIG'S FACEBOOK PAGE-EMERGENCY PREPAREDNESS VENUES FOR ENGLEWOOD FIRE AND POLICE-COLUMBINE HIGH SCHOOL RUN FOR REMEMBRANCE BENEFIT-COLLABORATE WITH CHRISTOPHER & DANA REEVE PEER NETWORK PROGRAM-TRAINING FOR REGIS NEUROPSYCHOLOGY CLASSES-TRAINING FOR AIR FORCE ACADEMY CADETS-AMI WELLNESS-PROFESSIONAL ADVISORY COMMITTEE-CAMP DISCOVERY VOLUNTEERS-CATHY SCOTT FOUNDATION - BOARD MEMBER-CENTER FOR WOMEN'S HEALTH RESEARCH - BOARD MEMBER-COLORADO HOSPITAL ASSOCIATION - BOARD MEMBER-HOMEBUILDERS FOUNDATION VOLUNTEERS-NATIONAL SPORTS CENTER FOR THE DISABLED - WINTER PARK - BOARD MEMBER-FVA MT STATES CHAPTER </p>

Additional Data

Software ID:
Software Version:
EIN: 84-0404233
Name: CRAIG HOSPITAL

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
CRAIG HOSPITAL	
CRAIG HOSPITAL	PART V, SECTION B, LINE 12I SIZE OF HOUSEHOLD
CRAIG HOSPITAL	PART V, SECTION B, LINE 14G THE FINANCIAL ASSISTANCE APPLICATION IS SENT TO PATIENT WITH PRE-COLLECTION LETTER PATIENT BILLING STATEMENTS ALSO REFERENCE THE POLICY AND CONTACT IN FORMATION IS GIVEN IF THEY REQUIRE ADDITIONAL INFORMATION OR WANT TO APPLY
CRAIG HOSPITAL	PART V, SECTION B, LINE 20D THE AMOUNT IS DETERMINED BY APPLYING THE SELF-PAY DISCOUNT OR A GREATER DISCOUNT BASED ON THE CHARITY POLICY GUIDELINES THIS DISCOUNT IS CALCULATED BY AVERAGING THE NEGOTIATED COMMERCIAL INSURANCE RATES

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
CRAIG HOSPITAL

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
84-0404233

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) BRAIN INJURY ALLIANCE OF COLORADO 4200 W CONEJOS PL 524 DENVER, CO 80204	84-0893049	501(C)(3)	10,000	0			SPONSORSHIP
(2) COLORADO NEUROLOGICAL INSTITUTE 701 E HAMPDEN AVE 415 ENGLEWOOD, CO 80113	84-1100975	501(C)(3)	11,000	0			ANNUAL SUPPORT
(3) ST ANTHONY HEALTH FOUNDATION 11600 W 2ND PL LAKEWOOD, CO 80228	94-0902211	501(C)(3)	6,000	0			FLIGHT FOR LIFE GOLF
(4) NORTH AMERICAN BRAIN INJURY SOCIETY PO BOX 1804 ALEXANDRIA, VA 22313	20-0105690	501(C)(6)	6,000	0			ANNUAL SUPPORT

2

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

4

3

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

0

Part III

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

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

Part IV

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

Return Reference	Explanation
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Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.
▶ Attach to Form 990. ▶ See separate instructions.

▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
CRAIG HOSPITAL

Employer identification number
84-0404233

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 checked="" type="checkbox"/> Health or social club dues or initiation fees</div><div><input checked="" type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div></div>		
<div><div>b</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>	Yes	
<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>	Yes	
<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><div><input 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><div><div><input 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><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>a</div><div>Receive a severance payment or change-of-control payment?</div></div>		No
<div><div>b</div><div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div></div>	Yes	
<div><div>c</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>a</div><div>The organization?</div></div>		No
<div><div>b</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>a</div><div>The organization?</div></div>		No
<div><div>b</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>	Yes	
<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				
(1)MIKE FORDYCE PRESIDENT & CEO	(i)	376,905	131,737	47,066	130,200	19,342	705,250	0
	(ii)	0	0	0	0	0	0	0
(2)JULIE KEEGAN VP FINANCE	(i)	205,291	34,807	11,300	49,708	13,017	314,123	0
	(ii)	0	0	0	0	0	0	0
(3)DANA POLONSKY VP CLINICAL SERVICES	(i)	161,429	35,107	8,134	48,058	18,211	270,939	0
	(ii)	0	0	0	0	0	0	0
(4)DIANE REINHARD VP PATIENT CARE	(i)	161,246	37,237	8,751	48,188	18,225	273,647	0
	(ii)	0	0	0	0	0	0	0
(5)LESTER BUTT DIRECTOR - PSYCHOLOGY	(i)	151,448	28,124	447	7,493	18,999	206,511	0
	(ii)	0	0	0	0	0	0	0
(6)KENNY HOSACK DIRECTOR - PROVIDER RELATIONS & MKTG	(i)	140,529	24,170	536	6,898	19,046	191,179	0
	(ii)	0	0	0	0	0	0	0
(7)CYNTHIA HARRISON-FELIX DIRECTOR - RESEARCH	(i)	127,464	14,280	455	9,705	12,668	164,572	0
	(ii)	0	0	0	0	0	0	0
(8)MARY FELLER EXECUTIVE DIRECTOR - FOUNDATION	(i)	0	0	0	0	0	0	0
	(ii)	160,722	24,966	461	7,467	1,309	194,925	0
(9)CHRIS WATKINS DIRECTOR - IT	(i)	133,850	18,069	386	6,339	18,999	177,643	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Return Reference	Explanation
PART I, LINE 1A	COUNTRY CLUB DUES AND FINANCIAL, ESTATE AND TAX PLANNING SERVICES PAID BY EMPLOYEE WERE REIMBURSED BY THE COMPANY AND INCLUDED IN EMPLOYEE'S FORM W2 TAXABLE WAGES
PART I, LINE 4B	OFFICERS PARTICIPATE IN A NON-QUALIFIED 457F RETIREMENT PLAN. DURING THE TAX YEAR, THE FOLLOWING AMOUNTS WERE EARNED AND FUNDED BY THE HOSPITAL: MIKE FORDYCE \$120,000, JULIE KEEGAN \$40,000, DANA POLONSKY \$40,000, AND DIANE RICHARD \$40,000.
PART I, LINE 7	DISCRETIONARY BONUSES OF UP TO 10% OF BASE PAY ARE PAID TO DEPARTMENT DIRECTORS, UP TO 15% FOR VICE PRESIDENTS AND UP TO 30% FOR CEO BASED UPON ATTAINING SPECIFIED PERFORMANCE GOALS.

Additional Data

Software ID:
Software Version:
EIN: 84-0404233
Name: CRAIG HOSPITAL

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				
MIKE FORDYCE PRESIDENT & CEO	(i)	376,905	131,737	47,066	130,200	19,342	705,250	0
	(ii)	0	0	0	0	0	0	0
JULIE KEEGAN VP FINANCE	(i)	205,291	34,807	11,300	49,708	13,017	314,123	0
	(ii)	0	0	0	0	0	0	0
DANA POLONSKY VP CLINICAL SERVICES	(i)	161,429	35,107	8,134	48,058	18,211	270,939	0
	(ii)	0	0	0	0	0	0	0
DIANE REINHARD VP PATIENT CARE	(i)	161,246	37,237	8,751	48,188	18,225	273,647	0
	(ii)	0	0	0	0	0	0	0
LESTER BUTT DIRECTOR - PSYCHOLOGY	(i)	151,448	28,124	447	7,493	18,999	206,511	0
	(ii)	0	0	0	0	0	0	0
KENNY HOSACK DIRECTOR - PROVIDER RELATIONS & MKTG	(i)	140,529	24,170	536	6,898	19,046	191,179	0
	(ii)	0	0	0	0	0	0	0
CYNTHIA HARRISON- FELIX DIRECTOR - RESEARCH	(i)	127,464	14,280	455	9,705	12,668	164,572	0
	(ii)	0	0	0	0	0	0	0
MARY FELLER EXECUTIVE DIRECTOR - FOUNDATION	(i)	0	0	0	0	0	0	0
	(ii)	160,722	24,966	461	7,467	1,309	194,925	0
CHRIS WATKINS DIRECTOR - IT	(i)	133,850	18,069	386	6,339	18,999	177,643	0
	(ii)	0	0	0	0	0	0	0

Schedule K (Form 990)	<div>Supplemental Information on Tax Exempt Bonds</div> <div>▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.</div> <div>▶ Attach to Form 990. ▶ See separate instructions.</div> <div>▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.</div>		OMB No 1545-0047					
			2013					
			Open to Public Inspection					
Department of the Treasury Internal Revenue Service			Name of the organization CRAIG HOSPITAL			Employer identification number 84-0404233		

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 COLORADO HEALTH FACILITIES AUTHORITY	84-0752932	19648AG82	12-03-2012	40,071,072	HOSPITAL EXPANSION & REFUND 2003 BONDS		X		X		X

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired								
2	Amount of bonds legally defeased								
3	Total proceeds of issue	40,071,072							
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	558,654							
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	27,071,058							
11	Other spent proceeds	7,980,000							
12	Other unspent proceeds	4,606,723							
13	Year of substantial completion								
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

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

Part III

Private Business Use (Continued)

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

Part IV

Arbitrage

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

Part IV

Arbitrage (Continued)

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

Part V

Procedures To Undertake Corrective Action

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

Part VI

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

Return Reference	Explanation
PART II, LINE 3	PAR AMOUNT \$37,595,000 NET PREMIUM \$2,476,072 TOTAL PROCEEDS OF ISSUE \$40,071,072

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

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

OMB No 1545-0047
2013
Open to Public Inspection

Name of the organization
CRAIG HOSPITAL

Employer identification number
84-0404233

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

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

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

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

Part II Loans to and/or From Interested Persons.
Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

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

Part III Grants or Assistance Benefitting Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

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

Part IV

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) DR TOM BALAZY	BOARD MEMBER	806,773	MEDICAL DIRECTOR SERVICES		No
(2) BILL LINDSAY	BOARD MEMBER	123,171	BENEFITS CONSULTING AND INSURANCE PREMIUM		No

Part V

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

Return Reference	Explanation
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SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.

▶Information about Schedule M (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
CRAIG HOSPITAL

Employer identification number
84-0404233

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art	X	19		
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ ()				
26 Other ▶()				
27 Other ▶()				
28 Other ▶ ()				
29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement	29			
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a	Yes	No	No
b If "Yes," describe the arrangement in Part II				
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	Yes	No	No
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a	Yes	No	No
b If "Yes," describe in Part II				
33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II				

Part II

Supplemental Information.

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

Return Reference	Explanation
PART I, COLUMN (B)	19 PIECES OF ART WERE DONATED TO THE HOSPITAL BY THE INDIVIDUAL ARTISTS TO BE USED BY THE HOSPITAL AND WERE NOT VALUED BY THE ARTISTS

SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury

Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization CRAIG HOSPITAL	Employer identification number 84-0404233
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990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART I, LINE 1	
FORM 990, PART III, LINE 1	CRAIG HOSPITAL IS A 93-BED LONG-TERM ACUTE CARE AND REHABILITATION HOSPITAL THAT PROVIDES CARE EXCLUSIVELY FOR PATIENTS WITH SPINAL CORD AND TRAUMATIC BRAIN INJURY CRAIG HOSPITAL PROVIDES A COMPREHENSIVE SYSTEM OF INPATIENT AND OUTPATIENT MEDICAL CARE, REHABILITATION, NEUROSURGICAL REHABILITATIVE CARE AND LONG-TERM FOLLOW-UP SERVICES
FORM 990, PART VI, SECTION A, LINE 4	A REVISION WAS MADE TO ALLOW NON-BOARD MEMBERS TO SERVE ON THE FINANCE AUDIT COMMITTEE AND THE MEDICAL CARE AND ADMINISTRATIVE COMMITTEE SUBJECT TO THE APPROVAL OF THE COMMITTEE CHAIRPERSON AND THE HOSPITAL BOARD EXECUTIVE COMMITTEE
FORM 990, PART VI, SECTION B, LINE 11	PRIOR TO FILING, THE FORM 990 AND RELATED SCHEDULES WERE PRESENTED, REVIEWED AND APPROVED BY THE FINANCE/AUDIT COMMITTEE OF THE BOARD OF DIRECTORS COPIES WERE ALSO DISTRIBUTED TO THE FULL BOARD ALONG WITH A REPORT FROM THE FINANCE/AUDIT COMMITTEE
FORM 990, PART VI, SECTION B, LINE 12C	ALL BOARD MEMBERS, VICE PRESIDENTS AND DIRECTOR-LEVEL POSITIONS COMPLETE A DUALITY OF INTEREST FORM ANNUALLY AND ANY DISCLOSURES ARE SHARED WITH THE BOARD OF DIRECTORS
FORM 990, PART VI, SECTION B, LINE 15	THE EXECUTIVE COMMITTEE COMMISSIONS AN INDEPENDENT COMPENSATION CONSULTING FIRM EVERY 2-3 YEARS TO CONDUCT A STUDY OF COMPENSATION OF THE KEY LEADERSHIP POSITIONS WITHIN THE HOSPITAL UTILIZING DATA FROM BOTH LOCAL AND NATIONAL HOSPITALS THIS DATA WAS UTILIZED BY THE EXECUTIVE COMMITTEE WHEN IT APPROVES THE COMPENSATION OF THE PRESIDENT/CEO AND OTHER TOP MANAGEMENT POSITIONS WITHIN THE HOSPITAL ALL OF THE DETAILS OF THE DELIBERATION AND DECISION MAKING PROCESS ARE DOCUMENTED IN THE EXECUTIVE COMMITTEE MINUTES
FORM 990, PART VI, SECTION C, LINE 19	CRAIG HOSPITAL'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST
FORM 990, PART IX, LINE 11G	CONTRACTED MEDICAL SERVICES PROGRAM SERVICE EXPENSES 10,618,315 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 10,618,315 CONSULTING SERVICES PROGRAM SERVICE EXPENSES 115,845 MANAGEMENT AND GENERAL EXPENSES 105,608 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 221,453 MEDICAL DIRECTOR SERVICES PROGRAM SERVICE EXPENSES 530,400 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 530,400 LAUNDRY SERVICES PROGRAM SERVICE EXPENSES 315,546 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 315,546 PURCHASED SERVICES PROGRAM SERVICE EXPENSES 128,256 MANAGEMENT AND GENERAL EXPENSES 92,997 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 221,253 CONTRACT LABOR PROGRAM SERVICE EXPENSES 93,622 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 93,622 OTHER SERVICES PROGRAM SERVICE EXPENSES 26,977 MANAGEMENT AND GENERAL EXPENSES 4,080 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 31,057

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
CRAIG HOSPITAL

Employer identification number
84-0404233

Part I

Identification of Disregarded Entities

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) REHABILITATION DOCUMENTATION SERVICES 3425 S CLARKSON STREET ENGLEWOOD, CO 80113 03-0434653	SOFTWARE DEVELOPMENT	CO	63,074	147,892	CRAIG HOSPITAL

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) CRAIG HOSPITAL FOUNDATION 3425 S CLARKSON ST ENGLEWOOD, CO 80113 23-7352287	FUNDRAISING	CO	501(C)(3)	11A/TYPE I	CRAIG HOSPITAL	Yes	

Part III

Identification of Related Organizations Taxable as a Partnership

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(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) ADAPTIVE EQUIPMENT CO 3425 S CLARKSON ST ENGLEWOOD, CO 801132811 84-1280869	INACTIVE	CO	CRAIG HOSPITAL	C			100 000 %	Yes	

Part V

Transactions With Related Organizations

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

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

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

1s

Yes

Yes

Yes

Yes

Yes

Yes

No

No

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) CRAIG HOSPITAL FOUNDATION	C	10,852,058	ACTUAL COSTS
(2) CRAIG HOSPITAL FOUNDATION	Q	1,417,615	ACTUAL COSTS

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
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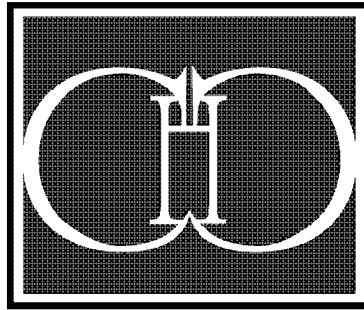


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FORM 990, PART IV, LINE 20B

The Form 990 has been completed using financial information from a draft of the audited financial statements for Craig Hospital. The draft of the audited financial statements has been attached to the Form 990. The audited financial statements for Craig Hospital for the fiscal year ended September 30, 2014 have not been issued, pending approval at the next Board meeting scheduled for August 20, 2015. Craig Hospital will forward the audited financial statements following the Board meeting.



CRAIG HOSPITAL AND AFFILIATES

**Consolidated Financial Statements
September 30, 2014 and 2013,
Independent Auditors' Report,
and
Reports on Single Audit of Federal Award Programs
in Accordance with OMB Circular A-133
September 30, 2014**

Tentative and Preliminary as of Monday, August 17, 2015

CRAIG HOSPITAL AND AFFILIATES

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Craig Hospital and Affiliates
Englewood, Colorado

REPORT ON THE FINANCIAL STATEMENTS

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

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free 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 auditors' 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 auditors consider 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 Craig Hospital and Affiliates as of September 30, 2014 and 2013, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

OTHER MATTERS

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of expenditures of federal awards, as required by the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2015, on our consideration of the Hospital's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hospital's internal control over financial reporting and compliance.

EKS&H LLLP

August 31, 2015
Denver, Colorado

CRAIG HOSPITAL AND AFFILIATES

Consolidated Balance Sheets

	September 30,	
	2014	2013
Assets		
Current assets		
Cash and cash equivalents	\$ 4,914,350	\$ 5,160,616
Short-term investments	31,293,796	26,455,315
Assets limited as to use required for current liabilities	1,222,677	2,129,569
Receivables		
Patients, net of allowance for uncollectible accounts of \$171,428 (2014) and \$218,053 (2013)	16,866,755	19,437,620
Grants and other	577,770	622,477
Inventories	576,992	512,109
Prepaid expenses and other assets	955,546	1,065,355
Total current assets	<u>56,407,886</u>	<u>55,383,061</u>
Assets limited as to use		
Board-designated and donor-restricted investments	53,271,456	73,142,250
SERP fund	1,270,580	921,898
Total assets limited as to use	<u>54,542,036</u>	<u>74,064,148</u>
Land, buildings, and equipment, net	101,104,522	63,215,339
Contributions receivable, net	11,392,444	14,104,461
Deferred debt issuance costs, net	519,350	537,789
Total assets	<u>\$ 223,966,238</u>	<u>\$ 207,304,798</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 6,896,258	\$ 6,947,464
Payroll and payroll-related expenses	4,382,967	4,040,283
Compensated absences	1,854,031	1,788,426
Current portion of long-term debt	640,000	625,000
Total current liabilities	<u>13,773,256</u>	<u>13,401,173</u>
Long-term debt, net of current portion	38,654,756	39,377,292
SERP obligation	1,510,580	1,161,898
Post-retirement benefit obligation	74,624	176,009
Other long-term liabilities	3,898,563	-
Total liabilities	<u>57,911,779</u>	<u>54,116,372</u>
Commitments and contingencies		
Net assets		
Unrestricted	149,137,099	133,345,620
Temporarily restricted	14,425,193	17,358,639
Permanently restricted	2,492,167	2,484,167
Total net assets	<u>166,054,459</u>	<u>153,188,426</u>
Total liabilities and net assets	<u>\$ 223,966,238</u>	<u>\$ 207,304,798</u>

See notes to consolidated financial statements

CRAIG HOSPITAL AND AFFILIATES

Consolidated Statements of Operations

	For the Years Ended September 30,	
	2014	2013
Unrestricted revenues and other support		
Net patient service revenues	\$ 80,530,024	\$ 75,609,728
Other operating revenues	2,960,201	2,753,998
Net assets released from restrictions		
Research	2,708,552	2,884,031
Other programs and costs	2,082,497	1,346,027
Total unrestricted revenues and other support	<u>88,281,274</u>	<u>82,593,784</u>
Operating expenses		
Wages, salaries, and benefits	49,771,171	46,565,373
Purchased services	12,286,068	12,015,240
Supplies and other	10,044,605	9,310,555
Research	2,708,552	2,884,031
Depreciation and amortization	5,149,980	4,795,371
Interest	21,167	20,394
Insurance, legal, and other professional services	1,027,189	1,184,276
Provision for bad debts	(86,385)	153,265
Other programs and costs	2,597,879	1,879,780
Total operating expenses	<u>83,520,226</u>	<u>78,808,285</u>
Operating income	<u>4,761,048</u>	<u>3,785,499</u>
Other income		
Investment and other	1,869,110	1,479,226
Contributions	2,032,318	1,830,917
Total other income	<u>3,901,428</u>	<u>3,310,143</u>
Excess of revenues over expenses	<u>8,662,476</u>	<u>7,095,642</u>
Unrealized losses on investments	(527,553)	(457,828)
Net assets released for long-term asset acquisitions	<u>7,656,556</u>	<u>10,631,585</u>
	<u>7,129,003</u>	<u>10,173,757</u>
Change in unrestricted net assets	<u>\$ 15,791,479</u>	<u>\$ 17,269,399</u>

See notes to consolidated financial statements

CRAIG HOSPITAL AND AFFILIATES

Consolidated Statements of Changes in Net Assets

	For the Years Ended September 30,	
	2014	2013
Unrestricted net assets		
Excess of revenues over expenses	\$ 8,662,476	\$ 7,095,642
Unrealized losses on investments	(527,553)	(457,828)
Net assets released for long-term asset acquisitions	7,656,556	10,631,585
Change in unrestricted net assets	15,791,479	17,269,399
Temporarily restricted net assets		
Research grants	2,708,552	2,884,031
Contributions	6,639,574	18,817,526
Investment income	166,033	212,031
Net assets released from restrictions		
Research	(2,708,552)	(2,884,031)
Other programs and costs	(9,739,053)	(11,977,612)
Change in temporarily restricted net assets	(2,933,446)	7,051,945
Permanently restricted net assets		
Contributions	8,000	1,421,364
Change in permanently restricted net assets	8,000	1,421,364
Change in net assets	12,866,033	25,742,708
Net assets, beginning of year	153,188,426	127,445,718
Net assets, end of year	\$ 166,054,459	\$ 153,188,426

See notes to consolidated financial statements

CRAIG HOSPITAL AND AFFILIATES

Consolidated Statements of Cash Flows

	For the Years Ended September 30,	
	2014	2013
Cash flows from operating activities		
Change in net assets	\$ 12,866,033	\$ 25,742,708
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Net unrealized losses on investments	527,533	262,068
Depreciation and amortization	5,149,830	4,795,371
Provision for bad debts	4,869	11,633
Loss from disposal of equipment and other	73,167	50,071
Provision for uncollectible pledges	(91,054)	141,632
Discount on long-term pledges	(37,731)	195,589
Receipts for permanently restricted endowment	(8,000)	(1,421,364)
Changes in operating assets and liabilities		
Patient receivables	2,566,196	(1,327,775)
Contributions receivable	2,840,802	(9,714,104)
Grants receivable and other	44,707	(127,132)
Inventories	(64,883)	(54,076)
Prepaid expenses and other assets	109,809	224,094
Accounts payable, accrued expenses, and other long-term liabilities	3,847,357	1,579,433
Payroll and payroll-related expenses, compensated absences, post-retirement benefit obligation, and SERP obligation	655,586	(917,884)
	<u>16,018,158</u>	<u>(6,302,444)</u>
Net cash provided by operating activities	<u>28,884,191</u>	<u>19,440,264</u>
Cash flows from investing activities		
Purchases of marketable securities	(49,256,533)	(90,190,139)
Sales of marketable securities	64,319,503	57,976,501
Purchases of land, buildings, and equipment	(43,576,427)	(19,689,151)
Net cash used in investing activities	<u>(28,513,457)</u>	<u>(51,902,789)</u>
Cash flows from financing activities		
Principal payments on long-term debt	(625,000)	(8,855,000)
Proceeds from issuance of long-term debt	-	40,071,072
Payment for debt issuance costs	-	(553,154)
Contributions for permanently restricted endowment	8,000	1,421,364
Net cash (used in) provided by financing activities	<u>(617,000)</u>	<u>32,084,282</u>
Net decrease in cash and cash equivalents	(246,266)	(378,243)
Cash and cash equivalents at beginning of year	<u>5,160,616</u>	<u>5,538,859</u>
Cash and cash equivalents at end of year	<u>\$ 4,914,350</u>	<u>\$ 5,160,616</u>

(Continued on the following page)

See notes to consolidated financial statements

CRAIG HOSPITAL AND AFFILIATES

Consolidated Statements of Cash Flows

(Continued from the previous page)

Supplemental disclosure of cash flow information.

Cash paid for interest was \$1,594,025 and \$792,790 during the years ended September 30, 2014 and 2013, respectively.

During 2014 and 2013, the Hospital adjusted its SERP fund to fair market value by recording \$108,681 and \$106,070, respectively, of investment earnings on the asset as well as the related liability. The fair value is determined using market quotes as of the dates reported. Ending SERP fund balances also reflect total distributions made during the year.

During 2014, the Hospital paid interest of \$1,594,025 and accrued interest of \$528,217 on the 2012 Bonds, which is capitalized in land, buildings, and equipment, net of interest income on the bond proceeds held in assets limited as to use of \$29,519.

During 2013, the Hospital paid interest of \$792,790 and accrued interest of \$532,042 on the 2012 Bonds, which is capitalized in land, buildings, and equipment, net of interest income on the bond proceeds held in assets limited as to use of \$35,973.

Non-cash activity

During 2014 and 2013, the amortization of the 2012 Bonds premium of \$82,536 and \$68,780, respectively, was capitalized in land, buildings, and equipment.

See notes to consolidated financial statements

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies

Organization

Craig Hospital, a not-for-profit corporation located in Denver, Colorado, provides a wide range of treatment and rehabilitative services for spinal, brain, and other nervous-system-related injuries to patients from Colorado and other states

Craig Hospital Foundation (the "Foundation"), a not-for-profit corporation located in Denver, Colorado, was formed to promote and improve public health and welfare and the general well-being of mankind through the development and provision of health care services. The Foundation supports Craig Hospital's charitable and educational purposes and contributes its funds for these programs

Rehabilitation Documentation Services, LLC ("RDS") is a for-profit wholly owned limited liability company

Basis of Presentation

The consolidated financial statements, which include the accounts of Craig Hospital, the Foundation, and RDS (collectively, the "Hospital") are prepared on the accrual basis of accounting. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include amounts on deposit in demand accounts and investments with an original maturity of three months or less whose use is not limited, excluding balances held in the investment portfolio. The Hospital continually monitors its positions with, and the credit quality of, the financial institutions with which it invests. Throughout the year, the Hospital held balances of cash and cash equivalents in excess of the federally insured limit.

Investments and Investment Return

Investments in equity securities and all investments in debt securities are reported at their fair values, with unrealized gains and losses included in the consolidated statements of operations and changes in net assets. Investment income is reported as other income. Unrealized gains and losses on investments other than trading securities are excluded from the excess of revenues over expenses. Investment income and gains restricted by donors are reported as increases in temporarily restricted net assets.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Assets Limited as to Use

Assets limited as to use consist of donor-restricted investments and designated assets set aside by the Board of Directors for capital improvements, endowment funds, and a supplemental executive retirement plan. The Board of Directors retains control over Board-designated assets and may, at its discretion, subsequently use these assets for other purposes. In 2014, the balance included the unexpended bond proceeds held by the trustee of \$3,284,044.

Inventories

Inventories, consisting of medical and other operating supplies, are stated at the lower of cost or market on a first-in, first-out basis.

Land, Buildings, and Equipment

Land, buildings, and equipment are recorded at cost. Interest incurred, net of interest earned on related funds held by a trustee under bond agreements, in connection with borrowings to finance major construction, is capitalized until the related assets are put into service and subsequently amortized over the lives of the related assets. Depreciation and amortization are recorded using the straight-line method over the shorter of the estimated useful life or lease term of the related assets, which ranges from 3 to 40 years.

The Hospital's capitalization policy requires individual assets to be capitalized if the original cost or fair value at date of donation exceeds \$1,000 and the asset life is greater than one year.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years, if any, are recorded at the present value of estimated future cash flows. The discounts on these pledges are computed using a risk-free interest rate, net of an allowance for uncollectible accounts, if necessary. The allowance method is used to determine uncollectible contributions receivable. The allowance is based on management's estimate and analysis of specific pledges.

Long-Lived Assets

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell. No impairment losses were recorded as of September 30, 2014 and 2013.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Deferred Debt Issuance Costs

Deferred debt issuance costs include bond fees and are amortized using the effective interest method over the original term of the related debt of 30 years

Excess of Revenues over Expenses

The accompanying consolidated statements of operations include excess of revenues over expenses. Changes in unrestricted net assets, which are excluded from excess of revenues over expenses consistent with industry practice, include unrealized gains and losses on investments other than trading securities, permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions, which, by donor restriction, were to be used for the purpose of acquiring such assets). Income from discontinued operations is also excluded from excess of revenues over expenses.

Net Patient Service Revenues and Patient Accounts Receivable

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

The Hospital assesses a patient's ability to pay at the time services are rendered, and accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, management analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for uncollectible 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 self-pay patients, the Hospital records a provision for uncollectible accounts in the period of service on the basis of past experience and specific identification. The difference between the standard rates, or the discounted rates if negotiated or provided by policy, and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Charity Care and Contractual Allowances

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. Charity care provided during the years ended September 30, 2014 and 2013, based on cost of services provided, totaled \$918,231 and \$1,342,175, respectively. In addition, the Hospital also provides medical services to patients covered under state Medicaid programs at less than established rates, which are recorded as contractual adjustments. These contractual adjustments totaled \$10,857,007 and \$10,749,704 for the years ended September 30, 2014 and 2013, respectively. The Hospital has not changed its charity care or uninsured discount policies during fiscal years 2014 or 2013.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Contributions

Contributions and bequests are available for unrestricted use unless specifically restricted by the donors. Contributions are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the accompanying consolidated statements of operations as net assets released from restrictions. In-kind donations are recorded at fair value at the date of gift. In the absence of donor specification that income and gains on donated funds are restricted, such income and gains are reported as unrestricted income.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. Temporarily restricted net assets as of September 30, 2014 and 2013 are available for support of various patient programs and capital improvements. Permanently restricted net assets are to be maintained in perpetuity, the income from which is available for program support. Permanently restricted net assets consist of endowment funds, the income from which is available to support various patient programs.

Endowment Fund

During 2004, the Foundation's Board of Directors set aside \$3,000,000 in an endowment fund for the purpose of protecting the future excellence of Craig Hospital. During 2008, an additional \$1,000,000 was set aside from the proceeds from the sale of a subsidiary of Craig Hospital. During 2012, the Board of Directors approved the release of \$4,925,000 of Board-designated endowment funds for the purpose of paying for future expansion at the Hospital. The remaining Board-designated endowment funds were released in 2013.

Income Tax Status

The Hospital and the Foundation qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code. RDS is a limited liability company and is not a tax-paying entity for federal income tax purposes; therefore, no income tax expense has been recorded in the consolidated financial statements. Members are taxed individually on their shares of RDS's earnings.

The Hospital applies a more-likely-than-not measurement methodology to reflect the consolidated financial statement impact of uncertain tax positions taken or expected to be taken in a tax return. After evaluating the tax positions taken, none are considered to be uncertain, therefore, no amounts have been recognized as of September 30, 2014 and 2013.

If incurred, interest and penalties associated with tax positions are recorded in the period assessed in other programs and costs. No interest or penalties have been assessed as of September 30, 2014 and 2013.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Income Tax Status (continued)

Tax years that remain subject to examination include 2011 through the current period for the federal return and 2010 through the current period for the Colorado return

Subsequent Events

The Hospital has evaluated all subsequent events through the auditors' report date, which is the date the consolidated financial statements were available for issuance. No subsequent events require disclosure based upon this review.

Note 2 - Concentration of Credit Risk

The Hospital grants credit without collateral to its patients, most of whom are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows:

	September 30,	
	2014	2013
Other third-party payors	55 %	59 %
Workers' compensation	20	17
Medicare	16	17
Medicaid	9	7
Total	100 %	100 %

Note 3 - Net Patient Service Revenues

The Hospital has agreements with third-party payors for payments to the Hospital at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare and Medicaid

Services rendered to Medicare and Medicaid program beneficiaries are paid based on diagnosis-related groups and are subject to audit and retroactive adjustment. Laws and regulations governing these programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change in the near term. Management believes that the Hospital is in substantial compliance with current laws and regulations related to the Medicare and Medicaid programs.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 3 - Net Patient Service Revenues (continued)

Other Third-Party Payors

The Hospital has negotiated 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 per-diem rates and discounts from established charges.

Note 4 - Investments

The fair values of investments held are as follows:

	September 30,	
	2014	2013
Obligations of the U S government and government agencies	\$ 2,398,223	\$ 41,132,446
Fixed income securities	13,016,755	12,662,241
Equity securities	-	10,854,138
Mutual funds	51,727,203	23,644,766
Bond funds	-	1,942,810
Cash equivalents	19,815,850	12,259,045
Accrued interest	100,478	153,586
Total	<u>\$ 87,058,509</u>	<u>\$ 102,649,032</u>
Short-term investments	\$ 31,293,796	\$ 26,455,315
Assets limited as to use required for current liabilities	1,222,677	2,129,569
Assets limited as to use	<u>54,542,036</u>	<u>74,064,148</u>
Total	<u>\$ 87,058,509</u>	<u>\$ 102,649,032</u>

The following schedule summarizes the investment return included in the accompanying consolidated statements of operations.

	For the Years Ended September 30,	
	2014	2013
Unrealized losses	\$ (527,553)	\$ (262,068)
Dividends and interest	641,563	1,124,713
Realized gains on investments	2,025,155	608,163
Investment management fees	<u>(158,408)</u>	<u>(187,308)</u>
	<u>\$ 1,980,757</u>	<u>\$ 1,283,500</u>

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 5 - Land, Buildings, and Equipment

Land, buildings, and equipment consist of the following

	September 30,	
	2014	2013
Land	\$ 6,651,277	\$ 6,651,277
Land improvements	502,559	577,271
Buildings and improvements	82,146,741	33,903,965
Equipment	59,736,637	45,529,458
Construction in progress	7,237,681	18,666,484
	<u>147,274,275</u>	<u>105,328,455</u>
Less accumulated depreciation and amortization	<u>(46,169,753)</u>	<u>(42,113,116)</u>
Total land, buildings, and equipment	<u>\$ 101,104,522</u>	<u>\$ 63,215,339</u>

In March 2013, the Hospital began construction on an \$86,500,000 project to improve, update, and expand the Hospital's existing facilities with a projected completion date of August 2016. During the years ended September 30, 2014 and 2013, the Hospital capitalized interest in the amount of \$1,478,152 and \$1,220,079, respectively, net of interest income and premium amortization on the 2012 Bonds. Additionally, the Hospital has accrued \$3,898,563 in retainage fees, which are reported as other long-term liabilities on the accompanying consolidated balance sheets.

Depreciation expense for the years ended September 30, 2014 and 2013 was \$5,131,541 and \$4,700,874, respectively.

Note 6 - Fair Value Measurements

Authoritative guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The guidance establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring the most observable inputs to be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Hospital. Unobservable inputs are inputs that reflect the Hospital's assumptions of what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of the inputs as follows:

- Level 1 Quoted prices in active markets for identical assets or liabilities that are accessible at the reporting date. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2 Quoted prices in active markets for similar assets and liabilities that are observable for the asset or liability.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 6 - Fair Value Measurements (continued)

Level 3 Unobservable pricing inputs that are generally less observable from objective sources, such as discounted cash flow models or valuations. The inputs into the determination of fair value require significant management judgment or estimation.

The financial assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement. These classifications (Levels 1, 2, and 3) are intended to reflect the observability of inputs used in the valuation of investments and are not necessarily an indication of risk or liquidity. There were no changes to the Hospital's valuation techniques during the year.

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

Government obligations, equity securities, bond funds, and mutual funds Valued at the closing price reported on the active market on which the securities are traded.

Fixed-income securities Valued based on prices currently available on comparable securities of the issuer or other issuers with similar credit ratings.

Debt is recorded at carrying value of \$39,294,756 on the consolidated balance sheet as of September 30, 2014. The fair value of the Hospital's debt is based on actual historical pricing based on the last trade executed on that day and reported by Bloomberg. As of September 30, 2014, the carrying amount of long-term debt approximated fair value due to its floating rate structure.

Other financial instruments not measured at fair value on a recurring basis include cash and cash equivalents, receivables, accounts payable, and accrued expenses. These consolidated financial statement carrying amounts approximate their fair values due to their short-term nature.

The following table provides information by level for assets and liabilities that are recorded at fair value on a recurring basis at September 30, 2014.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Obligations of the U.S. government and government agencies	\$ 2,398,223	\$ -	\$ -	\$ 2,398,223
Fixed-income securities	-	13,016,755	-	13,016,755
Mutual funds	<u>51,727,203</u>	<u>-</u>	<u>-</u>	<u>51,727,203</u>
Total assets	<u>\$ 54,125,426</u>	<u>\$ 13,016,755</u>	<u>\$ -</u>	<u>\$ 67,142,181</u>

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 6 - Fair Value Measurements (continued)

The following table provides information by level for assets and liabilities that are recorded at fair value on a recurring basis at September 30, 2013

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Obligations of the U S. government and government agencies	\$ 41,132,446	\$ -	\$ -	\$ 41,132,446
Fixed-income securities	-	12,662,241	-	12,662,241
Equity securities	10,854,138	-	-	10,854,138
Mutual funds	23,644,766	-	-	23,644,766
Bond funds	1,942,810	-	-	1,942,810
Total assets	<u>\$ 77,574,160</u>	<u>\$ 12,662,241</u>	<u>\$ -</u>	<u>\$ 90,236,401</u>

Following is a reconciliation of the fair value amounts shown above to the amounts presented in the consolidated balance sheets

	<u>September 30,</u>	
	<u>2014</u>	<u>2013</u>
Total financial assets from fair value tables	\$ 67,142,181	\$ 90,236,401
Cash equivalents	19,815,850	12,259,045
Accrued interest	100,478	153,586
Total	<u>\$ 87,058,509</u>	<u>\$ 102,649,032</u>
Short-term investments	\$ 31,293,796	\$ 26,455,315
Assets limited as to use required for current liabilities	1,222,677	2,129,569
Board-designated and donor-restricted investments	53,271,456	73,142,250
SERP fund	1,270,580	921,898
Total	<u>\$ 87,058,509</u>	<u>\$ 102,649,032</u>

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 7 - Contributions Receivable

Contributions receivable consist of the following

	September 30,	
	2014	2013
Due in less than one year	\$ 4,297,399	\$ 4,454,140
Due in one to five years	7,476,847	10,160,708
Unamortized discount on contributions	(142,196)	(222,541)
	11,624,940	14,392,307
Allowance for uncollectible accounts	(232,496)	(287,846)
Total	<u>\$ 11,392,444</u>	<u>\$ 14,104,461</u>

Contributions that are due in less than one year but are related to long-term purposes are classified as non-current assets on the accompanying consolidated balance sheets due to the long-term nature of the underlying purpose. The effective interest rate used to calculate the discount on contributions receivable ranged from 0.10% to 1.93%.

Note 8 - Long-Term Debt

Long-term debt consists of the following

	September 30,	
	2014	2013
Hospital - Colorado Health Facilities Authority Hospital Revenue Bonds Series 2012	\$ 36,970,000	\$ 37,595,000
Less current portion	(640,000)	(625,000)
Long-term portion	36,330,000	36,970,000
Unamortized debt premium	2,324,756	2,407,292
Total	<u>\$ 38,654,756</u>	<u>\$ 39,377,292</u>

In December 2012, the Hospital issued Colorado Health Facilities Authority Hospital Revenue Bonds (Craig Hospital Project) Series 2012 (the "2012 Bonds") in the amount of \$37,595,000. In addition, the bonds were issued at a premium of \$2,476,072, which is amortized over the life of the 2012 Bonds (30 years). The purpose of the bond issuance is to fund an improvement project for the Hospital as well as to refund the Colorado Health Facilities Authority Variable Rate Demand Revenue Refunding Bonds Series 2003. The 2012 Bonds mature annually at escalating amounts through 2042. Interest rates are defined by the bond agreement and are payable on the first day of June and December of each year, commencing June 1, 2013. The 2012 Bonds are redeemable at any time on or after December 1, 2022, in whole or in part, plus accrued interest to the redemption date. The 2012 Bonds are secured by a security interest with respect to all gross revenues of the Hospital. The 2012 Bonds Master Indenture requires the Hospital to maintain certain covenants. As of September 30, 2014, the Hospital was in compliance with all covenant requirements.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 8 - Long-Term Debt (continued)

The Hospital's annual debt service requirements as of September 30, 2014 are as follows

Year Ending September 30,

2015	\$ 640,000
2016	665,000
2017	690,000
2018	720,000
2019	755,000
Thereafter	<u>33,500,000</u>
Total	<u>\$ 130,970,000</u>

Note 9 - Benefit Plans

The Hospital has a defined contribution retirement plan (the "Plan"), which is administered by a designated insurance company and includes a group of investment alternatives from which employees may choose. Contributions are made on behalf of qualified employees eligible for benefits at varying levels based on years of service to the Hospital. Contributions may also include a matching amount up to 4% of qualified voluntary employee contributions. Employer basic and matching contributions vest at 20% per year for prior service commencing with the employee's completion of two years of employment. The Hospital's contributions to the Plan were approximately \$2,517,000 and \$2,570,000 for the years ended September 30, 2014 and 2013, respectively.

In addition, the Hospital established a Section 457(f) supplemental executive retirement plan ("SERP") for the exclusive benefit of certain executives. Certain forfeiture provisions apply to the SERP, as defined in the SERP agreements, in which funds would revert back to the Hospital. The balance of the SERP fund as of September 30, 2014 and 2013 is \$1,270,580 and \$921,898, respectively. The balance of the related liability is \$1,510,580 and \$1,161,898 for the years ended September 30, 2014 and 2013, respectively. The difference of \$240,000 and \$240,000 as of September 30, 2014 and 2013, respectively, represents the contributions approved by the Board of Directors to be paid to the SERP in the year following each of the respective years noted above. Total contributions to the SERP fund were approximately \$240,000 for each of the years ended September 30, 2014 and 2013, respectively. In March 2011, two new accounts were created at Great West Life and Annuity Insurance Company, \$130,000 was placed in a 457(f) Mutual Choice Plan, and \$110,000 was placed in a Company Owned Life Insurance ("COLI") account. The Hospital funded these two accounts in the same manner in 2013 and 2014. These accounts were created to replace the original 457(f) that was established prior to 2011. The original 457(f) still maintains a balance but no longer receives additional contributions.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 9 - Benefit Plans (continued)

The Hospital has a post-employment medical and prescription drug benefit plan ("PERP") available to eligible retired employees who meet defined service requirements. The PERP is being phased out for current and future participants through 2015, and all benefits cease by December 31, 2015. The PERP is unfunded. The accumulated post-retirement benefit obligation related to the PERP totaled \$74,624 and \$176,009 as of September 30, 2014 and 2013, respectively. The benefit obligation has been calculated using a discount rate of 2.5%, with assumed 10.0% annual increases in the health care cost trend rates. Benefits paid to PERP beneficiaries totaled approximately \$147,000 and \$104,000 during the years ended September 30, 2014 and 2013, respectively.

Note 10 - Grants and Contracts

The Hospital has entered into agreements with various agencies of the U.S. government and other organizations to perform research and related projects. The grants and contracts are subject to various expense restrictions and are subject to audit to determine compliance with the agreements. Indirect costs are recovered based upon provisional rates. Adjustments to reflect actual indirect costs are made through the adjustment of future indirect cost rates. Management believes that any costs questioned in audits and future indirect cost adjustments will not be material in relation to the Hospital's accompanying consolidated financial statements. Accordingly, no allowances have been established.

Note 11 - Commitments and Contingencies

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, specifically those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation as well as regulatory actions unknown and unasserted at this time. Recently, federal government activity has increased with respect to investigations and allegations concerning possible violations by health care providers of regulations, which could result in the imposition of significant fines and penalties as well as significant repayments of previously billed and collected revenues from patient services. Management believes that the Hospital is in substantial compliance with current laws and regulations.

The Hospital maintains professional liability insurance through a claims-made commercial insurance policy. The policy provides coverage up to specified policy limits for claims filed within the period of the policy term. The Hospital, based upon information provided by its insurance carrier, has determined that the estimated liability for potential losses incurred but not reported at September 30, 2014 is not material to the accompanying consolidated financial statements.

The Hospital has entered into contracts for the design and construction of an improvement project it is currently undertaking. As of September 30, 2014, the Hospital has entered into contracts totaling approximately \$78,071,000 for its improvement and expansion project over its existing facilities. The total budget of this project is \$86,500,000, and the Hospital has incurred approximately \$47,161,000 and \$17,067,000 in related costs through September 30, 2014 and 2013, respectively.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 11 - Commitments and Contingencies (continued)

Self-Funded Benefit Plan

The Hospital provides self-funded contributory medical and dental coverage to eligible employees. The coverage was previously provided through the Craig Hospital Health Benefit Trust (the "Trust"), a voluntary employee beneficiary association. The Trust was dissolved effective December 31, 2009, and all coverage was assumed by the Hospital. The Hospital, as well as the participating employees, make contributions to fund the benefits provided under this plan. As of September 30, 2014 and 2013, the estimated liability for claims incurred but not reported was \$700,000 and \$625,000, respectively, and is included in accounts payable and accrued expenses in the accompanying consolidated financial statements. The insurance premiums collected by the Hospital are scheduled for increases, as necessary, in order to fund reserves to maximum liability and provide funding for all estimated incurred but not reported claims.

Note 12 - Functional Expenses

The Hospital provides a wide range of treatment and rehabilitation services for spinal, brain, and other nerve-related injuries to patients from Colorado and other states as well as research and educational activities for the community. Expenses related to providing these services are as follows:

	For the Years Ended September 30,	
	2014	2013
Health care services	\$ 53,575,314	\$ 51,684,250
General and administration	20,656,146	19,008,052
Depreciation, amortization, interest, and provision for bad debts	5,175,816	4,827,398
Foundation expenditures	<u>3,868,118</u>	<u>3,288,585</u>
Total	<u>\$ 83,275,394</u>	<u>\$ 78,808,285</u>

Note 13 - Investments in Endowments

The Hospital's endowments consist of various funds established for a variety of purposes, including supporting graduates, ensuring the future excellence of Craig Hospital, and general purposes. The endowments include both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 13 - Investments in Endowments (continued)

The Hospital classifies the portion of a donor-restricted endowment that is perpetual in nature as permanently restricted net assets. The remaining portion of accumulations to donor-restricted endowment funds that is not classified in permanently restricted net assets is classified as dictated by the donor or, in absence of donor stipulation, as temporarily restricted net assets until those amounts are appropriated for expenditure by the Hospital in a manner consistent with the standard of prudence prescribed by the Colorado Uniform Prudent Management of Institutional Funds Act.

The Hospital has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of endowment assets.

The Finance Committee of the Foundation is responsible for selecting the asset mix and managers for the endowments of the Foundation. The target asset allocation is 65% in equities with the remaining balance in fixed income instruments.

The Board of Directors approves distributions from the funds designated by the Board of Directors to function as endowments through the annual budget process. Expenditures from the donor-restricted endowment funds are controlled by the Hospital's Board of Directors consistent with the donors' intents.

During 2013, the Board of Directors approved the release of \$271,021 of Board-designated endowment funds.

Endowment net asset composition by type of fund as of September 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 597,206	\$ 2,492,167	\$ 3,089,373
Total funds	\$ -	\$ 597,206	\$ 2,492,167	\$ 3,089,373

Endowment net asset composition by type of fund as of September 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 495,898	\$ 2,484,167	\$ 2,980,065
Total funds	\$ -	\$ 495,898	\$ 2,484,167	\$ 2,980,065

CRAIG HOSPITAL AND AFFILIATES

Notes to Consolidated Financial Statements

Note 13 - Investments in Endowments (continued)

Changes in endowment net assets for the fiscal year ended September 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment assets, beginning of year	\$ -	\$ 495,898	\$ 2,484,167	\$ 2,980,065
Investment income and gains	-	166,189	-	166,189
Contributions	-	-	8,000	8,000
Distributions	-	(33,614)	-	(33,614)
Transfers	-	(31,267)	-	(31,267)
Endowment assets, end of year	<u>\$ -</u>	<u>\$ 597,206</u>	<u>\$ 2,492,167</u>	<u>\$ 3,089,373</u>

Changes in endowment net assets for the fiscal year ended September 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment assets, beginning of year	\$ 271,021	\$ 277,160	\$ 1,062,803	\$ 1,610,984
Investment income and gains	-	249,411	-	249,411
Contributions	-	-	1,421,364	1,421,364
Distributions	-	(31,898)	-	(31,898)
Transfers	(271,021)	1,225	-	(269,796)
Endowment assets, end of year	<u>\$ -</u>	<u>\$ 495,898</u>	<u>\$ 2,484,167</u>	<u>\$ 2,980,065</u>

Tentative and Preliminary Monday, August 17, 2015

SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Craig Hospital and Affiliates
Englewood, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Craig Hospital and Affiliates (the "Hospital"), which are comprised of the consolidated balance sheets as of September 30, 2014 and 2013, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated August 31, 2015.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

COMPLIANCE AND OTHER MATTERS

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

CRAIG HOSPITAL AND AFFILIATES' RESPONSE TO FINDINGS

The Hospital's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Hospital's response was not subjected to the auditing procedures applied in the audit of the financial statements, accordingly, we express no opinion on it.

PURPOSE OF THIS REPORT

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

EKS&H LLLP

August 31, 2015
Denver, Colorado

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE**

Board of Directors
Craig Hospital and Affiliates
Englewood, Colorado

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited Craig Hospital and Affiliates' (the "Hospital") compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the Hospital's major federal programs for the year ended September 30, 2014. The Hospital's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Hospital's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Hospital's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Hospital's compliance.

Opinion on Each Major Federal Award

In our opinion, the Hospital complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2014-001 and 2014-002, that we consider to be significant deficiencies.

The Hospital's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Hospital's response was not subjected to the auditing procedures applied in the audit of compliance, accordingly, we express no opinion on the response.

PURPOSE OF THIS REPORT

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

August 31, 2015
Denver, Colorado

EKS&H LLLP

Tentative and Preliminary as of Monday, August 17, 2015

CRAIG HOSPITAL AND AFFILIATES

Schedule of Findings and Questioned Costs For the Year Ended September 30, 2014

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued - *Unmodified*

Internal control over financial reporting.

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiencies identified? ☐ Yes ☒ None reported
- Non-compliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major programs

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiencies identified? ☒ Yes ☐ None reported

Type of auditors' report issued on compliance for major programs *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? ☒ Yes ☐ No

Identification of major programs

Program	CFDA#
Research and Development Cluster	
U.S. Department of Education	
National Data and Statistical Center for the Traumatic Brain Injury Model Systems	84 133A
Research and Demonstration	84 133A
Rocky Mountain Regional Spinal Cord Injury System	84 133N
U.S. Department of Defense	
Treatment of Social Competence in Military Veterans, Service Members, and Civilians with Traumatic Brain Injury	12 420
Family Caregivers for Veterans with Spinal Cord Injury	12 420

Dollar threshold used to distinguish between type A and B programs \$300,000

Auditee qualified as "low-risk auditee"? ☐ Yes ☒ No

Section II - Financial Statement Findings

None

CRAIG HOSPITAL AND AFFILIATES

Schedule of Findings and Questioned Costs Year Ended September 30, 2014

Section III - Federal Award Findings and Questioned Costs

No. 2014-001: Preparation of Schedule of Expenditures of Federal Awards

National Institute of Health - Anger Self-Management in Post-Acute Traumatic Brain Injury. A Multi-Center Clinic, CFDA #93 865, and U S Department of Education - Multicenter Evaluation of Memory Remediation After Traumatic Brain Injury with Donepezil, CFDA #84 133A

Criteria	Federal regulations, under OMB Circular A-133 Subpart C Section 300, require that grantees maintain internal control necessary to identify and include all federal awards on the schedule of expenditures of federal awards in the appropriate period
Condition.	The schedule of expenditures of federal awards improperly excluded federal pass-through grants (CFDA #93 865 and #84 133A)
Context	Improper exclusion of \$244,832 sub-recipient awards in the schedule of expenditures of federal awards
Questioned Costs	None noted
Effect	Without proper processes and controls to determine the completeness and accuracy of the schedule of expenditures of federal awards, the Hospital risks non-compliance with requirements and potentially loss of funding
Cause	The Hospital was unable to timely and accurately develop controls to meet requirements for a complete and accurate schedule of expenditures of federal awards
Recommendation	The Hospital should obtain the appropriate training regarding federal funding requirements and continue to improve processes and controls as it relates to new grants obtained. All new grants should be forwarded to the accounting department and included on the schedule of expenditures of federal awards
Management Views and Planned Corrective Actions	The Hospital will continue to improve its internal communication regarding new awards and work to include a proper review of the annual schedule of expenditures of federal awards

CRAIG HOSPITAL AND AFFILIATES

Schedule of Findings and Questioned Costs Year Ended September 30, 2014

No. 2014-02: Timely and Accurate Reporting

National Institute of Health - Anger Self-Management in Post-Acute Traumatic Brain Injury. A Multi-Center Clinic, CFDA #93 865, and U S Department of Education - Multicenter Evaluation of Memory Remediation After Traumatic Brain Injury with Donepezil, CFDA #84 133A

Criteria.	Federal regulations, under OMB Circular A-133 Subpart C Section 300, require that recipients of federal awards maintain internal control over federal programs that provide reasonable assurance that the auditee is managing the federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its federal programs
Condition.	The Hospital had two reports to the grantor that were not properly reviewed or submitted timely
Context	The lack of a sufficient internal control environment resulted in late filings of annual reports with reporting errors
Questioned Costs	None noted
Effect	Without sufficient controls in place to review the reports, the Hospital risks filing late information and requesting reimbursement for funds in excess of allowable amounts
Cause	The Hospital was unable to timely and accurately develop controls to meet the required reporting metrics and identify federal program requirements
Recommendation	The Hospital should establish controls around the reporting process to ensure the reports are accurate, timely, and compliant with all requirements
Management Views and Planned Corrective Actions	The Hospital will work to develop processes and controls that promote accurate and timely reporting with appropriate approval

Section IV - Prior Year Findings and Questioned Costs

None

CRAIG HOSPITAL AND AFFILIATES

**Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2014**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Federal Expenditures
Research and Development Cluster		
U.S. Department of Education		
Direct Program		
National Data and Statistical Center for the Traumatic Brain Injury Model Systems	84 133A	\$ 1,019,255
Research and Demonstration	84 133A	415,718
Rocky Mountain Regional Spinal Cord Injury System	84 133N	457,220
Pass-Through Program		
Passed through Memorial Hermann Health System	84 133A	89,849
<i>Total U.S. Department of Education</i>		<u>1,982,042</u>
U.S. Department of Defense		
Direct Program		
Treatment of Social Competence in Military Veterans Service Members, and Civilians with Traumatic Brain Injury	12 420	489,692
Family Caregivers for Veterans with Spinal Cord Injury	12 420	81,835
<i>Total U.S. Department of Defense</i>		<u>571,527</u>
National Institute of Health		
Pass-Through Program		
Passed through Albert Einstein Healthcare Network	93 865	154,983
Total federal awards		<u>\$ 2,708,552</u>

See notes to schedule of expenditures of federal awards

CRAIG HOSPITAL AND AFFILIATES

Notes to Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2014

Note 1 - Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Craig Hospital and Affiliates (the "Hospital") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Note 2 - Subrecipients

The Hospital subawards federal grants to subrecipients. For the year ended September 30, 2014, the following amounts, by federal program, were provided to subrecipients, and are included in the expenditures reported on the schedule of expenditures of federal awards.

Program Title and CFDA Number	Amount
Research and Development Cluster, Various Programs, CFDA #84 133A/84 133G/84 133N	\$ 316,768
Anger Self-Management in Post-Acute Traumatic Brain Injury A Multi-Center Clinic, CFDA #93 865	\$ 154,983
Treatment of Social Competence in Military Veterans, Service Members, and Civilians with Traumatic Brain Injury and Family Caregivers for Veterans with Spinal Cord Injury Programs, CFDA #12 420	<u>318,217</u>
Total federal awards provided to subrecipients	<u><u>\$ 789,968</u></u>