March 2014
2012-2013 Annual Report

CONTENTS

INTRODUCTION
Who We Are ............................................. 3
UIHS Board Chairperson Welcome ..... 4

2012-2013 ANNUAL REPORT
Traditionally Driven ................................... 5
Client Empowerment ................................. 6
Client Centered ....................................... 7
Independent Auditors’ Report .................. 9
Statements of Financial Positions .......... 11
Statement of Activities ......................... 12
FEDERALLY RECOGNIZED TRIBAL GOVERNMENT REPRESENTATIVES
(Selected by Tribe and must meet UIHS criteria, no term limit)

Bear River Band of Rohnerville Rancheria
Aileen Meyer
Barry Brenard (Alternate)

Big Lagoon Rancheria
Virgil Moorehead, *Chairperson

Blue Lake Rancheria
E. Diane Holliday
Claudia Brundin (Alternate)

Cher-Ae Heights Indian Community of the Trinidad Rancheria
R. Joy Sundberg
Ruby Rollings (Alternate)

Elk Valley Rancheria
John Green
LaWanda Quinnell (Alternate)

Resighini Rancheria
Donald McCovey
TBA (Alternate)

Smith River Rancheria
Denise Padgette
Lenora Hall (Alternate)

Wiyot Tribe Reservation
Cheryl A. Seidner, *Member-at-Large
Velva Angell (Alternate)

Yurok Tribe of the Yurok Reservation
Laura Borden
Larry Hendrix (Alternate)

INDIAN COMMUNITY REPRESENTATIVES
(Elected by UIHS Community Members, term limits)

Area 1
Florine Fern Bates (2013-15), *Secretary
Charlene Storr (2012-14), *Treasurer

Area 2
E. Dewey Myers (2013-15)
Maxine Lewis-Raymond (2012-14)

Area 3
C. Ellen Durfee (2013-15)
Farrel Starr (2012-14), *Vice Chairperson

Area 4
Vacant (2013-15)
Vacant (2012-14)

Area 5
Richard Myers (2013-15)
Kenneth Roberts (2012-14)

Who We Are

We recognize that the extensive historical trauma experienced by our people has had a significant impact on the health and wellness of our community. We have survived this trauma but our struggle continues as the pain of these events affects our children and families to this day. We continue to heal and succeed through our culture, our traditions, our families and our spiritual resources.

As part of our healing process, United Indian Health Services was founded to meet our unique needs. We respect those dedicated community leaders who created UIHS to give us “a place of our own” and we honor their vision by always striving to make this the best place for our community to receive care.
Dear Members of the UIHS Community,

Fiscal year 2012—13 had its ups and downs. On the plus side UIHS received accreditation through 2015 from the Accreditation Association of Ambulatory Health Care (AAAHC). Everyone of our staff contributed to this achievement. We could not have done it without them. Another large plus was the opening of both the Medical and Dental Facilities in Crescent City. Of course, the downside has been the loss of needed funding due to sequestration and other cut-backs. Again, our faithful staff is giving 110% during this short handed time as we wait for funding to be restored and new sources to be identified. Any suggestions or ideas will be gratefully accepted. We also lost our CEO, Vida Khow, at the end of 2013. We miss her vision and dedication but wish her well in New Mexico. Hopefully, we will have a new CEO very soon.

Thank you to all of our community: clients, staff, and board for working together this past year. Please join us with good thoughts for many more healthy and happy years together.

Virgil Moorehead, Chairperson, UIHS Board of Directors

OUR VISION

Healthy mind, body, and spirit for generations of our American Indian Community

OUR MISSION

To work together with our clients and community to achieve wellness through health services that reflect the traditional values of our American Indian Community

CORE PHILOSOPHIES

Ko ’l ha koom’ ma (Yurok—working together)

We honor the dignity of every person. We value working together with the individual, the family and the community. By sharing our strengths and resources we bring wellness to ourselves, our community and our world.

May gay tolh kway (Yurok—a healing place)

We strive to provide the best healthcare services in an environment that is welcoming, healing, and nurturing for all. We hire qualified staff and commit ourselves to recruiting American Indians at all levels. We value every staff member and support the development of each employee’s potential while optimizing their skills and contributions.

Ghes na’ dvn (Tolowa—well place)

We value caring for the whole person. We focus our resources on the promotion of health and prevention of illness. We recognize that social, environmental, cultural, spiritual, and economic wellness is vital for the overall health of our community and organization; we support and promote actions that bring these elements into balance.
TRADITIONALLY DRIVEN

Cultural values and traditions guide the planning and implementation of services.

Traditional Indian Health Care
To honor the traditions and cultures of the American Indian Community, United Indian Health Services (UIHS) offers access to Traditional Indian Healer/Spiritual Advisor. The Traditional Indian Healer/Spiritual Advisor can be utilized when requested by clients or providers on behalf of clients throughout UIHS. United Indian Health Services considers the services provided by a Traditional Healer/Spiritual Advisor of extraordinary value to heal the whole person. The importance of healing the whole person is recognized as paramount. We strive to integrate services that focus on all parts of our clients’ self, including their mind, body, and spiritual self. The Traditional Indian Healer/Spiritual Advisor is available at UIHS on a monthly basis, both in Humboldt and Del Norte Counties.

Some UIHS client testimony:

“My purpose was to ask the Medicine Man to help me heal what ails my body. He did what the spirits had directed him. The gentle touch of the eagle feather and the rhythmic songs blessed my body that gave me strength knowing I am now centered with my ancestors that have come before and the mother earth.”

“I tried to commit suicide one day but the Creator had other plans for me. The Creator led me to the traditional healer and the sweats at UIHS. I will be forever grateful for this gift to connect with my inter-spirit through the healing methods of our people’s traditions and cultures.”

Traditional Foods
The UIHS Food is Good Medicine Program, funded through the Center for Disease Control’s Native Diabetes Wellness Program, focuses on sharing information about our traditional foods in an effort to support diabetes prevention and promote community wellness. We have had great success in various components of the project including the development of community outreach and education materials, traditional and digital storytelling projects, support for inter-generational learning opportunities, and more. The goal is to share the message that traditional foods were good medicine in the past, and that they can continue to be a part of a healthy future for our community. We promote local traditional foods, as well as contemporary foods that are similar in nutritional value and more readily available in grocery stores. Many community members are excited to learn about traditional foods and their nutritional value. In this fast-paced world that we live in, our educational materials and projects encourage families and friends to slow down and share life stories about healthy living around the dinner table.
CLIENT EMPOWERMENT

Clients and their families are empowered to become active participants in their care.

Community Nutrition Success Story
The three-acre Potawot Community Food Garden provides the UIHS community with a wide range of fresh, organically grown produce and the adjoining Potawot Herb Garden provides both traditional American Indian and European culinary and medicinal herbs. Produce is distributed to the UIHS community through a bi-weekly produce stand from June through October at Potawot Health Village, subscription to the Kay-Woi Basket membership program, and participation in the Diabetes, WIC and Traditional Resources programs. The garden offers educational opportunities through a series of workshops on nutrition, organic agriculture, and hands-on internships during the summer months.

The garden participates in community events throughout the year, including the May-Gay-Tolh-Kwe Summer Camp, Klamath Salmon Festival, UIHS HAWC -Walk, All-Area Repchem, and the Annual Arts & Crafts Fair. The culmination of the year's efforts however, is the Community Nutrition Program’s Annual Harvest Celebration. For this event clients are invited to bring their families, and partner schools are invited to bring their students out to the Potawot Food Garden in celebration of food and community. Activities such as sack races and parachute games get the kids moving, while the “carrot dig”, apple peeling, and “playing with food” activities reinforce the importance of eating fruits and vegetables. On October 26, 2012, 190 clients, community members, and staff were in attendance.

Good Health goes beyond that of the individual. It must include the health of the entire community including its culture, language, art and traditions as well as the environment in which it exists. The integration of American Indian culture into a modern health care facility is part of a promise that United Indian Health Services made to its clients. Potawot Health Village (PHV) is more than a "medical" building, because it has as its vision the expression of Health for American Indians. The architectural design, the restoration of the surrounding landscape, programs to integrate traditional knowledge in daily activities, and the consistent focus on enhancing strong American Indian culture, are core elements of health care. —A Place of Our Own
# CLIENT CENTERED

Care is provided in a way that works best for our clients.

<table>
<thead>
<tr>
<th>Potawot Health Village</th>
<th>Fortuna Health Center</th>
</tr>
</thead>
<tbody>
<tr>
<td>1600 Weot Way</td>
<td>940 Main Street</td>
</tr>
<tr>
<td>Arcata, CA 95521</td>
<td>Fortuna, CA 95540</td>
</tr>
<tr>
<td>Administration: (707) 825-5000</td>
<td>Administration: (707) 725-7988</td>
</tr>
<tr>
<td>Toll Free: (800) 675-3693</td>
<td>FAX: (707) 725-8088</td>
</tr>
<tr>
<td>Medical: (707) 825-5010</td>
<td>Hours of Operation:</td>
</tr>
<tr>
<td>Community Health &amp; Wellness: (707) 825-5070</td>
<td>Tuesday &amp; Friday</td>
</tr>
<tr>
<td>Nutrition: (707) 825-5030</td>
<td>8:00 AM - 4:00 PM</td>
</tr>
<tr>
<td>Dental: (707) 825-5040</td>
<td>Closed for lunch:</td>
</tr>
<tr>
<td>Behavioral Health: (707) 825-5060</td>
<td>12:00PM – 1:00 PM</td>
</tr>
<tr>
<td>Pharmacy: (707) 825-5020</td>
<td></td>
</tr>
<tr>
<td>FAX (707) 825-6747</td>
<td></td>
</tr>
<tr>
<td>Hours of Operation:</td>
<td></td>
</tr>
<tr>
<td>Monday – Friday: 8:00 AM - 5:00 PM</td>
<td></td>
</tr>
<tr>
<td>Pharmacy: 8:30 AM – 5:30 PM</td>
<td></td>
</tr>
<tr>
<td>Closed for lunch: 12:00 PM – 1:00 PM</td>
<td></td>
</tr>
<tr>
<td>Pharmacy: 12:30 PM – 1:30 PM</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>WIC - (707) 822-9900</th>
<th>Weitchpec Clinic</th>
</tr>
</thead>
<tbody>
<tr>
<td>5000 Valley West Blvd, Arcata, CA</td>
<td>Highway 96</td>
</tr>
<tr>
<td>Monday – Friday: 8:00 AM - 5:00 PM</td>
<td>Weitchpec, CA 95546</td>
</tr>
<tr>
<td></td>
<td>Main Phone: (530) 625-4300</td>
</tr>
<tr>
<td></td>
<td>Hours of Operation:</td>
</tr>
<tr>
<td></td>
<td>Monday &amp; Thursday</td>
</tr>
<tr>
<td></td>
<td>9:30AM – 3:00 PM</td>
</tr>
<tr>
<td></td>
<td>Closed for lunch:</td>
</tr>
<tr>
<td></td>
<td>12:00PM – 1:00PM</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Del Norte Medical</th>
<th>Del Norte Dental</th>
</tr>
</thead>
<tbody>
<tr>
<td>1675 Northcrest Drive</td>
<td>785 E. Washington Boulevard, Suite 8</td>
</tr>
<tr>
<td>Crescent City CA 95531</td>
<td>Crescent City, CA 95531</td>
</tr>
<tr>
<td>Main Phone:</td>
<td>Main Phone: (707) 464-2853</td>
</tr>
<tr>
<td>(707) 464-2750</td>
<td>Hours of Operation:</td>
</tr>
<tr>
<td>Hours of Operation:</td>
<td>Monday - Friday</td>
</tr>
<tr>
<td>Monday - Friday: 8:00 AM - 5:00 PM</td>
<td>8:00 AM - 5:00 PM</td>
</tr>
<tr>
<td>Closed for lunch: 12:00PM – 1:00 PM</td>
<td>Closed for lunch:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Elk Valley</th>
<th>Klamath Health Clinic</th>
</tr>
</thead>
<tbody>
<tr>
<td>2298 Norris Avenue</td>
<td>241 Salmon Avenue</td>
</tr>
<tr>
<td>Crescent City, CA 95531</td>
<td>Klamath, CA 95548</td>
</tr>
<tr>
<td>Main Phone:</td>
<td>Main Phone: (707) 482-2181</td>
</tr>
<tr>
<td>(707) 464-2919</td>
<td>Hours of Operation:</td>
</tr>
<tr>
<td>Toll Free: (800) 293-2919</td>
<td>Tuesday, Wednesday &amp; Friday</td>
</tr>
<tr>
<td>FAX: (707) 464-8218</td>
<td>8:00 AM - 4:00 PM</td>
</tr>
<tr>
<td>Hours of Operation:</td>
<td>Closed for lunch:</td>
</tr>
<tr>
<td>Monday - Friday: 8:00 AM - 5:00 PM</td>
<td>12:00 PM - 1:00 PM</td>
</tr>
</tbody>
</table>
CLIENT CENTERED

Care is provided in a way that works best for our clients.

Behavioral Health
Behavioral Health services include Marriage and Family Therapist, Licensed Clinical Social Workers, and Alcohol and Substance Counselors who provide mental health and substance abuse counseling, prevention, intervention, treatment, referral, community activities, psychiatric services, and traditional healers. Van transportation to appointments, support groups, and community events as needed.

Community Health
Community Health services include health promotion and education, diabetes awareness, community and youth activities, individual exercise counseling, community health representatives, community Injury prevention, and Centering Pregnancy Groups.

Dental
We are a general practice of Dentists and Mid-level Practitioners who provide evaluation, diagnosis, prevention and/or treatment of dental diseases, and/or conditions. Our scope of general practice encompasses all ages. Some fees may apply. Same day access is available for emergency needs.

Medical
We are a family practice of Physicians and advanced practice clinicians concerned with the total health care of the individual and the family. Our scope of family practice encompasses all ages and gender.

Nutrition
Nutrition services include Registered Dieticians, Nutritionists, and Women, Infants and Children (WIC) Program Nutrition Assistants who provide education and counseling for all clients with nutrition related health problems, pregnant and postpartum women and children. Our Smith River Elder Nutrition Site in Del Norte provides meals and social interactions for our elders five days per week.

Pharmacy
Pharmacy Services are provided at Potawot Health Village. Pharmacists and Pharmacy Technicians provide prescription medications, as well as client education, consultation, and drug information. Pharmacy services outside of Potowat Health Village can be received utilizing the American Health Care (AHC) Pharmacy benefit program at the following locations: 
- Green’s Fortuna Pharmacy
- Lima’s Professional Pharmacy in Eureka
- Barnes Arcata Family Drug
- Willow Creek Pharmacy
- Safeway Pharmacy in Crescent City

Vision
Vision services at Potawot Health Village include an Ophthalmologist who provides eye exams, retinal scans, glasses, referrals, and limited ophthalmology services. Some fees may apply.

Van Transport
UIHS provides transportation service for clients to Potowat Health Village as well as our other satellite sites. For more information contact our Community Health Care Services at 707.825.5070.
United Indian Health Services, Inc.

Statements of Financial Position
June 30,

<table>
<thead>
<tr>
<th>Assets</th>
<th>2013</th>
<th>2012 (as restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 5,447,635</td>
<td>$ 8,530,638</td>
</tr>
<tr>
<td>Board restricted cash</td>
<td>2,300,000</td>
<td>2,425,595</td>
</tr>
<tr>
<td>Patient accounts receivable, net of allowance for doubtful accounts of $314,950 in 2013 and $493,906 in 2012</td>
<td>$824,398</td>
<td>680,625</td>
</tr>
<tr>
<td>Receivable from funding sources</td>
<td>638,604</td>
<td>662,725</td>
</tr>
<tr>
<td>Inventory</td>
<td>143,832</td>
<td>135,370</td>
</tr>
<tr>
<td>Miscellaneous receivables and prepaid expense</td>
<td>302,785</td>
<td>216,014</td>
</tr>
<tr>
<td>Total current assets</td>
<td>$9,657,254</td>
<td>12,650,967</td>
</tr>
<tr>
<td>Property and equipment, net of accumulated depreciation</td>
<td>14,121,281</td>
<td>13,304,406</td>
</tr>
<tr>
<td>Other assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Artwork</td>
<td>103,450</td>
<td>103,450</td>
</tr>
<tr>
<td>Externally restricted cash</td>
<td>180,000</td>
<td>180,000</td>
</tr>
<tr>
<td>Total other assets</td>
<td>283,450</td>
<td>283,450</td>
</tr>
<tr>
<td>Total assets</td>
<td>$24,061,985</td>
<td>$26,238,823</td>
</tr>
</tbody>
</table>

Liabilities and Net Assets

<table>
<thead>
<tr>
<th>Current liabilities</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$726,034</td>
<td>$479,104</td>
</tr>
<tr>
<td>Contract health services payable</td>
<td>357,333</td>
<td>238,720</td>
</tr>
<tr>
<td>Accrued payroll and related payroll taxes</td>
<td>386,809</td>
<td>347,836</td>
</tr>
<tr>
<td>Accrued mortgage interest</td>
<td>17,682</td>
<td>17,916</td>
</tr>
<tr>
<td>Accrued personal leave</td>
<td>365,477</td>
<td>351,725</td>
</tr>
<tr>
<td>Self-funded unemployment insurance</td>
<td>81,785</td>
<td>55,002</td>
</tr>
<tr>
<td>Deferred grant revenue</td>
<td>5,128,077</td>
<td>8,196,132</td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>282,371</td>
<td>259,172</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>$7,345,568</td>
<td>$9,945,607</td>
</tr>
</tbody>
</table>

Long-term and other liabilities

| Notes payable, net of current portion | $7,488,235 | $7,175,412 |
| Total liabilities | $14,833,803 | $17,121,019 |

Net assets

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undesignated</td>
<td>6,849,824</td>
<td>6,580,596</td>
</tr>
<tr>
<td>Board designated</td>
<td>2,300,000</td>
<td>2,425,595</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>78,358</td>
<td>111,613</td>
</tr>
<tr>
<td>Total net assets</td>
<td>$9,228,182</td>
<td>$9,117,804</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>$24,061,985</td>
<td>$26,238,823</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
United Indian Health Services, Inc.
Statement of Activities
For the Year Ended June 30, 2013

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net patient service revenue</td>
<td>$ 4,786,900</td>
<td>-</td>
<td>$ 4,786,900</td>
</tr>
<tr>
<td>Pharmacy revenue</td>
<td>1,055,254</td>
<td>-</td>
<td>1,055,254</td>
</tr>
<tr>
<td>Grant and contract revenue</td>
<td>16,231,568</td>
<td>-</td>
<td>16,231,568</td>
</tr>
<tr>
<td>Electronic health record incentive income</td>
<td>85,000</td>
<td>-</td>
<td>85,000</td>
</tr>
<tr>
<td>Interest</td>
<td>4,919</td>
<td>-</td>
<td>4,919</td>
</tr>
<tr>
<td>Contributions and other revenue</td>
<td>61,770</td>
<td>2,950</td>
<td>64,720</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>36,205</td>
<td>(36,205)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>22,261,616</td>
<td>(33,255)</td>
<td>22,228,361</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>9,602,627</td>
<td>-</td>
<td>9,602,627</td>
</tr>
<tr>
<td>Fringe benefits</td>
<td>2,375,262</td>
<td>-</td>
<td>2,375,262</td>
</tr>
<tr>
<td>Contract labor - replacement</td>
<td>1,654,579</td>
<td>-</td>
<td>1,654,579</td>
</tr>
<tr>
<td>Contract health care</td>
<td>1,240,809</td>
<td>-</td>
<td>1,240,809</td>
</tr>
<tr>
<td>Supplies</td>
<td>1,132,044</td>
<td>-</td>
<td>1,132,044</td>
</tr>
<tr>
<td>Contract labor</td>
<td>808,075</td>
<td>-</td>
<td>808,075</td>
</tr>
<tr>
<td>Depreciation</td>
<td>782,197</td>
<td>-</td>
<td>782,197</td>
</tr>
<tr>
<td>Travel and training</td>
<td>717,110</td>
<td>-</td>
<td>717,110</td>
</tr>
<tr>
<td>Pharmaceutical</td>
<td>665,865</td>
<td>-</td>
<td>665,865</td>
</tr>
<tr>
<td>Facility</td>
<td>660,812</td>
<td>-</td>
<td>660,812</td>
</tr>
<tr>
<td>Professional fees</td>
<td>389,767</td>
<td>-</td>
<td>389,767</td>
</tr>
<tr>
<td>Interest</td>
<td>294,497</td>
<td>-</td>
<td>294,497</td>
</tr>
<tr>
<td>Management information systems</td>
<td>291,117</td>
<td>-</td>
<td>291,117</td>
</tr>
<tr>
<td>Board expenses</td>
<td>267,956</td>
<td>-</td>
<td>267,956</td>
</tr>
<tr>
<td>Communications</td>
<td>198,648</td>
<td>-</td>
<td>198,648</td>
</tr>
<tr>
<td>Printing and postage</td>
<td>189,580</td>
<td>-</td>
<td>189,580</td>
</tr>
<tr>
<td>Equipment</td>
<td>183,151</td>
<td>-</td>
<td>183,151</td>
</tr>
<tr>
<td>Taxes, licenses, and insurance</td>
<td>169,220</td>
<td>-</td>
<td>169,220</td>
</tr>
<tr>
<td>Laboratory</td>
<td>164,343</td>
<td>-</td>
<td>164,343</td>
</tr>
<tr>
<td>Recruitment and advertising</td>
<td>152,944</td>
<td>-</td>
<td>152,944</td>
</tr>
<tr>
<td>Loss on disposal of property</td>
<td>65,616</td>
<td>-</td>
<td>65,616</td>
</tr>
<tr>
<td>Other costs</td>
<td>39,087</td>
<td>-</td>
<td>39,087</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>37,484</td>
<td>-</td>
<td>37,484</td>
</tr>
<tr>
<td>Scholarships</td>
<td>35,193</td>
<td>-</td>
<td>35,193</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>22,117,983</td>
<td>-</td>
<td>22,117,983</td>
</tr>
<tr>
<td><strong>Increase (decrease) in net assets</strong></td>
<td>143,633</td>
<td>(33,255)</td>
<td>110,378</td>
</tr>
<tr>
<td><strong>Net assets, beginning of year (as restated)</strong></td>
<td>9,006,191</td>
<td>111,613</td>
<td>9,117,804</td>
</tr>
<tr>
<td><strong>Net assets, end of year</strong></td>
<td>$ 9,149,824</td>
<td>$ 78,358</td>
<td>$ 9,228,182</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
United Indian Health Services, Inc.  
Statement of Activities  
For the Year Ended June 30, 2012

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted (as restated)</th>
<th>Temporarily Restricted</th>
<th>Total (as restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net patient service revenue</td>
<td>$4,551,546</td>
<td>-</td>
<td>$4,551,546</td>
</tr>
<tr>
<td>Pharmacy revenue</td>
<td>1,092,140</td>
<td>-</td>
<td>1,092,140</td>
</tr>
<tr>
<td>Grant and contract revenue</td>
<td>13,525,739</td>
<td>-</td>
<td>13,525,739</td>
</tr>
<tr>
<td>Electronic health record incentive income</td>
<td>233,750</td>
<td>-</td>
<td>233,750</td>
</tr>
<tr>
<td>Contributions and other revenue</td>
<td>46,680</td>
<td>110,866</td>
<td>157,546</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>73,695</td>
<td>(73,695)</td>
<td>-</td>
</tr>
<tr>
<td>Total revenue</td>
<td>19,523,550</td>
<td>37,171</td>
<td>19,560,721</td>
</tr>
</tbody>
</table>

| **Expenses**          |                             |                        |                     |
| Salaries and wages    | 8,445,270                   | -                      | 8,445,270           |
| Fringe benefits       | 2,029,201                   | -                      | 2,029,201           |
| Contract labor        | 1,257,313                   | -                      | 1,257,313           |
| Contract health care  | 1,243,251                   | -                      | 1,243,251           |
| Supplies              | 927,207                     | -                      | 927,207             |
| Pharmaceutical        | 781,726                     | -                      | 781,726             |
| Depreciation          | 765,371                     | -                      | 765,371             |
| Travel and training   | 584,750                     | -                      | 584,750             |
| Contract labor - replacement | 546,324                  | -                      | 546,324             |
| Facility              | 453,514                     | -                      | 453,514             |
| Interest              | 402,095                     | -                      | 402,095             |
| Board expenses        | 245,620                     | -                      | 245,620             |
| Professional fees     | 238,465                     | -                      | 238,465             |
| Management information systems | 210,993                | -                      | 210,993             |
| Printing and postage  | 181,861                     | -                      | 181,861             |
| Communications        | 152,922                     | -                      | 152,922             |
| Laboratory            | 137,906                     | -                      | 137,906             |
| Taxes, licenses, and insurance | 134,811                     | -                      | 134,811             |
| Equipment             | 131,552                     | -                      | 131,552             |
| Recruitment and advertising | 84,933                     | -                      | 84,933              |
| Scholarships          | 41,884                      | -                      | 41,884              |
| Subscriptions         | 25,158                      | -                      | 25,158              |
| Loss on disposal of property | 13,791                     | -                      | 13,791              |
| Other costs           | 13,047                      | -                      | 13,047              |
| **Total expenses**    | 19,048,965                  | -                      | 19,048,965          |
| Increase in net assets| 474,585                     | 37,171                 | 511,756             |
| Net assets, beginning of year | 8,531,606                | 74,442                 | 8,606,048           |
| Net assets, end of year | $ 9,006,191              | $111,613               | $9,117,804          |

The accompanying notes are an integral part of these financial statements.
United Indian Health Services, Inc.
Statements of Cash Flows
For the Years Ended June 30,

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012 (as restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$110,378</td>
<td>$511,756</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash provided (used) by operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>782,197</td>
<td>765,371</td>
</tr>
<tr>
<td>Loss on disposal of property</td>
<td>65,616</td>
<td>13,791</td>
</tr>
<tr>
<td>Net changes in operating assets and liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Patient accounts receivables, net</td>
<td>(143,773)</td>
<td>(194,702)</td>
</tr>
<tr>
<td>Receivable from funding source</td>
<td>24,121</td>
<td>(270,727)</td>
</tr>
<tr>
<td>Inventory</td>
<td>(8,462)</td>
<td>3,673</td>
</tr>
<tr>
<td>Miscellaneous receivables and prepaid expenses</td>
<td>(86,771)</td>
<td>(99,404)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>246,930</td>
<td>52,271</td>
</tr>
<tr>
<td>Contract health services payable</td>
<td>118,613</td>
<td>81,677</td>
</tr>
<tr>
<td>Accrued payroll and related payroll taxes</td>
<td>38,973</td>
<td>60,904</td>
</tr>
<tr>
<td>Accrued mortgage interest</td>
<td>(234)</td>
<td>(15,269)</td>
</tr>
<tr>
<td>Accrued personal leave</td>
<td>13,752</td>
<td>28,082</td>
</tr>
<tr>
<td>Self-funded unemployment insurance</td>
<td>26,783</td>
<td>9,453</td>
</tr>
<tr>
<td>Deferred grant revenue</td>
<td>(3,068,055)</td>
<td>3,912,189</td>
</tr>
<tr>
<td>Net cash (used in) provided by operating activities</td>
<td>(1,879,932)</td>
<td>4,859,065</td>
</tr>
</tbody>
</table>

| **Cash flows from investing activities** |          |                    |
| Property and equipment purchases     | (1,664,688)| (356,496)       |
| Net cash used in investing activities | (1,664,688)| (356,496)       |

| **Cash flows from financing activities** |          |                    |
| Payments on long-term debt            | (263,978)| (222,890)         |
| Proceeds from issuance of long-term debt | 600,000 |                   |
| Net cash (used in) provided by financing activities | 336,022 | (222,890)         |
| Increase (decrease) in cash and cash equivalents | (3,208,598)| 4,279,679       |
| Cash and cash equivalents, beginning of year | 11,136,233| 6,856,554        |
| **Cash and cash equivalents, end of year** | $7,927,635| $11,136,233       |

The accompanying notes are an integral part of these financial statements.
United Indian Health Services, Inc.
Statements of Cash Flows — continued
For the Years Ended June 30,

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012 (as restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reconciliation of cash and cash equivalents to statement of financial position</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$5,447,635</td>
<td>$8,530,638</td>
</tr>
<tr>
<td>Board restricted cash</td>
<td>2,300,000</td>
<td>2,425,595</td>
</tr>
<tr>
<td>Externally restricted cash</td>
<td>180,000</td>
<td>180,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$7,927,635</strong></td>
<td><strong>$11,136,233</strong></td>
</tr>
</tbody>
</table>

| Supplemental information       |        |                    |
| Cash paid for interest         | $270,606 | $414,571           |

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