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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 black lung benefit trust or private foundation) ▶ The organization may have to use a copy of this return to satisfy state reporting requirements	OMB No 1545-0047
		2010
		Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 07-01-2010 and ending 06-30-2011		
B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization Renown South Meadows Medical Center	D Employer identification number 46-0517825
	Doing Business As	E Telephone number (775) 982-4404
	Number and street (or P O box if mail is not delivered to street address) 1155 MILL STREET C/O TAX TREASURY Z-5	Room/suite
	G Gross receipts \$ 100,764,838	
	City or town, state or country, and ZIP + 4 RENO, NV 89502	
	F Name and address of principal officer Dawn D Ahner 1155 Mill St Z-6 Reno, NV 89501	H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number ▶
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (Insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: ▶ WWW.RENOWN.ORG		
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation 2002
		M State of legal domicile NV

Part I	Summary
Activities & Governance	1 Briefly describe the organization's mission or most significant activities A 76 bed acute-care hospital and a 62 bed rehabilitation hospital
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets
	3 Number of voting members of the governing body (Part VI, line 1a)
	4 Number of independent voting members of the governing body (Part VI, line 1b)
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)
Revenue	6 Total number of volunteers (estimate if necessary)
	7a Total unrelated business revenue from Part VIII, column (C), line 12
	b Net unrelated business taxable income from Form 990-T, line 34
Expenses	8 Contributions and grants (Part VIII, line 1h)
	9 Program service revenue (Part VIII, line 2g)
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)
	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)
	14 Benefits paid to or for members (Part IX, column (A), line 4)
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)
Net Assets or Fund Balances	16a Professional fundraising fees (Part IX, column (A), line 11e)
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ ⁰
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)
	19 Revenue less expenses Subtract line 18 from line 12
	20 Total assets (Part X, line 16)
	21 Total liabilities (Part X, line 26)
	22 Net assets or fund balances Subtract line 21 from line 20

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			2012-05-15 Date	
	Dawn D Ahner CFO Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name Kim Hunwardsen CPA	Preparer's signature Kim Hunwardsen CPA	Date 2012-05-15	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's name ▶ Eide Bailly LLP				Firm's EIN ▶
	Firm's address ▶ 800 Nicollet Mall Ste 1300 Minneapolis, MN 554027033				Phone no ▶ (612) 253-6500
May the IRS discuss this return with the preparer shown above? (see instructions)					<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Check if Schedule O contains a response to any question in this Part III ☒

Our purpose is to make a genuine difference for the many lives we touch by optimizing our patients' healthcare experience

If "Yes," describe these new services on Schedule O


















If "Yes," describe these changes on Schedule O

[illegible]

4e	Total program service expenses	\$ 77,463,918
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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 instruction)?	2	No
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3	No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II 	4	Yes
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	
6	Did the organization maintain any donor advised funds or any similar funds or accounts where 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, 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 term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI. 	11a	Yes
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII. 	11b	No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII. 	11c	No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX. 	11d	Yes
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. 	11e	Yes
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X. 	11f	Yes
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	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, XII, and XIII 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, and program service activities outside the United States? 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 assistance to any organization or entity located outside the U S ? 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 assistance to individuals located outside the U S ? 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 hospitals? If "Yes," complete Schedule H 	20a	Yes
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b	Yes

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States 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 and 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, questions 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–24d and complete Schedule K. If "No," go to line 25</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
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		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
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	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," 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 a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35		No
a	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> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
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	Yes	
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <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 11 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 to any question in this Part V <input checked="" type="checkbox"/>			
		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	0
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a	0
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	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	Yes
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	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 to any question 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	1a12		
b	Enter the number of voting members included in line 1a, above, who are independent	1b9		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		No
6	Does the organization have members or stockholders?	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b		No
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	Does the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11a	Has the organization provided a 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	Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	Yes	
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		No

Section C. Disclosure	
17	List the States with which a copy of this Form 990 is required to be filed
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization. Dawn D Ahner 1155 MILL ST Z-6 Reno, NV 89502 (775) 982-4404

Part VII

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

Check if Schedule O contains a response to any question 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, and **current** key employees. 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, and 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 (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(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) Michael Alonso Treasurer	3.00	X		X				0	9,378	0
(2) Fred Boyd Secretary	3.00	X		X				0	18,054	0
(3) Kimberly Cooney Director	3.00	X						0	0	0
(4) Kathleen Drakulich Director	3.00	X						0	24,443	0
(5) Harvey Fennell Director	3.00	X						0	8,225	0
(6) James Devolld Director	3.00	X						0	2,500	0
(7) Roy Robbins Director	3.00	X						0	7,758	0
(8) Leslie Smith Director	3.00	X						0	7,000	0
(9) James Miller President/CEO	7.00	X		X				0	900,463	340,016
(10) Donald Claypool Director/Administrator	60.00	X						0	232,780	14,171
(11) Peter Stremmel Director	3.00	X						0	2,000	0
(12) Tom Herbert Director	60.00	X						0	456,683	28,384
(13) Dawn Ahner Chief Financial Officer	6.00			X				0	475,911	85,124
(14) Allan Hanssen VP Strategic Initiatives	15.00				X			0	336,877	58,826
(15) Gail Green Chief Nursing Officer	60.00					X		188,322	0	16,704
(16) Kevin Desmond Pharmacy Manager	60.00					X		158,165	0	29,465

Part VII

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(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			
(17) Christopher Sullivan Pharmacist	60 00					X		134,517	0	23,780
(18) Lyle Case Pharmacist	60 00					X		136,449	0	24,519
(19) Delia Saclayan Registered Nurse	60 00					X		143,865	0	21,434
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								761,318	2,482,072	642,423

2

Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization▶17

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

Section B. Independent Contractors

1	Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization		
(A) Name and business address		(B) Description of services	(C) Compensation
GE Healthcare PO Box 640944 Pittsburgh, PA 15264		Professional Services	238,688
Vogue Linen & Uniform Rental 175 5th St Elko, NV 89801		Uniform Rental	209,268
Maxim Healthcare Service 12588 Collections Center Dr Chicago, IL 60693		Staffing Services	149,431
On Call Consulting Inc PO Box 4729 Winter Park, FL 32793		Staffing Services	135,908
Waste Management PO Box 541065 Los Angeles, CA 90054		Professional Services	127,124
2	Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ▶10		

Part VIII

Statement of Revenue

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f					
	Program Service Revenue	2a	Business Code				
		Patient Svc Revenue	623000	98,251,298	98,251,298		
b		Assisted Living	623311	1,237,854	1,237,854		
c		Cafeteria	722210	213,298	213,298		
d		Income from Joint Vent	623000	152,721	152,721		
e							
f		All other program service revenue					
g		Total. Add lines 2a-2f		99,855,171			
Other Revenue		3	Investment income (including dividends, interest and other similar amounts)				
	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		314		
		c	Gain or (loss)		-314		
		d	Net gain or (loss)		-314		-314
	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	UBI - LTACH	623990	906,731		906,731		
	b	UBI - Landscaping	811000	2,936		2,936	
	c						
	d	All other revenue					
e	Total. Add lines 11a-11d		909,667				
12	Total revenue. See Instructions		100,764,524	99,855,171	909,667	-314	

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) but are not required to complete columns (B), (C), and (D).

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 U S See Part IV, line 21	116,638	116,638		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	556	556		
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees				
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	29,305,378	28,996,851	308,527	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9	Other employee benefits	6,549,620	6,478,658	70,962	
10	Payroll taxes				
a	Fees for services (non-employees) Management	5,862,366		5,862,366	
b	Legal				
c	Accounting				
d	Lobbying	4,597	4,597		
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees				
g	Other	7,103,074	5,628,222	1,474,852	
12	Advertising and promotion	358		358	
13	Office expenses	17,100,241	16,673,315	426,926	
14	Information technology				
15	Royalties				
16	Occupancy	1,071,442	443,106	628,336	
17	Travel	25,350	18,611	6,739	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	22,638	21,438	1,200	
20	Interest	2,846,418	2,846,418		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	4,988,301	2,309,956	2,678,345	
23	Insurance	638,028		638,028	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	Bad Debts	13,789,109	13,789,109		
b	Overhead	875,335		875,335	
c	Licenses & Taxes	228,169	83,544	144,625	
d	Dues & Subscriptions	85,086	14,846	70,240	
e	Business Meals	37,794	15,209	22,585	
f	All other expenses	48,365	22,844	25,521	
25	Total functional expenses. Add lines 1 through 24f	90,698,863	77,463,918	13,234,945	0
26	Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing				1	
	2	Savings and temporary cash investments			28,417	2	7,349
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			11,772,342	4	13,150,661
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L				5	
	6	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) Schedule L				6	
	7	Notes and loans receivable, net				7	
	8	Inventories for sale or use			2,152,515	8	2,238,836
	9	Prepaid expenses and deferred charges			208,621	9	246,634
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	99,946,948			
	b	Less: accumulated depreciation	10b	35,966,292	65,986,831	10c	63,980,656
	11	Investments—publicly traded securities				11	
	12	Investments—other securities. See Part IV, line 11				12	
	13	Investments—program-related. See Part IV, line 11				13	152,721
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			54,379,964	15	64,243,582
16	Total assets. Add lines 1 through 15 (must equal line 34)			134,528,690	16	144,020,439	
Liabilities	17	Accounts payable and accrued expenses			3,458,541	17	3,243,771
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities			55,814,331	20	55,325,348
	21	Escrow or custodial account liability. Complete Part IV of Schedule D				21	
	22	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	136,328
	25	Other liabilities. Complete Part X of Schedule D			110,806	25	104,319
	26	Total liabilities. Add lines 17 through 25			59,383,678	26	58,809,766
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			75,145,012	27	85,210,673
	28	Temporarily restricted net assets				28	
	29	Permanently restricted net assets				29	
	Organizations that do not follow SFAS 117, 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			75,145,012	33	85,210,673
	34	Total liabilities and net assets/fund balances			134,528,690	34	144,020,439

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	100,764,524
2	Total expenses (must equal Part IX, column (A), line 25)	2	90,698,863
3	Revenue less expenses Subtract line 2 from line 1	3	10,065,661
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	75,145,012
5	Other changes in net assets or fund balances (explain in Schedule O)	5	0
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	85,210,673

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question 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?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 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	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued 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 separated basis		
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?		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

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.

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization Renown South Meadows Medical Center	Employer identification number 46-0517825
---	--

Part I

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

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

- 1

☐

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

☐

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

☒

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

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

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other
- 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 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 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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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 2010 (line 6 column (f) divided by line 11 column (f))					14	
15 Public Support Percentage for 2009 Schedule A, Part II, line 14					15	
16a 33 1/3% support test—2010. 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—2009. If the organization did not check the 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—2010. 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—2009. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶						
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶						

Part III

Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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 section 501(c)(3) organization, check this box and stop here 						

Section C. Computation of Public Support Percentage		
15 Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2010. 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—2009. 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. Supplemental Information. Complete this part to 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).

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.**

OMB No 1545-0047

2010

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 35a (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization Renown South Meadows Medical Center	Employer identification number 46-0517825
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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 funtion 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

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><thead><tr><th>If the amount on line 1e, column (a) or (b) is:</th><th>The lobbying nontaxable amount is:</th></tr></thead><tbody><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></tbody></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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable 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)).

		(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?	Yes		4,597
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			4,597
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 carryover 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) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes".

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).	2a	
a	Current year		
b	Carryover from last year		
c	Total		
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

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
Part IV, Supplemental Information		Schedule C, Part II-B, Line 1f Payments are made to Nevada Hospital Association to provide unified, regulatory advocacy for member hospitals

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, 11, or 12.**
▶ **Attach to Form 990. ▶ See separate instructions.**

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization
Renown South Meadows Medical Center

Employer identification number
46-0517825

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 may 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 pleasure)

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

Complete lines 2a–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
2a	
2b	
2c	
2d	

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable 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 170(h)(4)(B)(ii)?

☐ Yes☐ No

9

In Part XIV, 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, 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 XIV, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116, 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 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 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 XIV

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 XIV and complete the following table

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

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance				
b	Contributions				
c	Investment earnings or losses				
d	Grants or scholarships				
e	Other expenditures for facilities and programs				
f	Administrative expenses				
g	End of year balance				

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i)

unrelated organizations

(ii)

related organizations

b

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

Yes

No

3a(i)

3a(ii)

3b

4

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

Part VI

Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		5,462,783		5,462,783
b Buildings		64,048,042	12,456,407	51,591,635
c Leasehold improvements		95,090	7,982	87,108
d Equipment		30,164,999	23,501,903	6,663,096
e Other		176,034		176,034
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				63,980,656

Schedule D (Form 990) 2010

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1
2	Total expenses (Form 990, Part IX, column (A), line 25)	2
3	Excess or (deficit) for the year Subtract line 2 from line 1	3
4	Net unrealized gains (losses) on investments	4
5	Donated services and use of facilities	5
6	Investment expenses	6
7	Prior period adjustments	7
8	Other (Describe in Part XIV)	8
9	Total adjustments (net) Add lines 4 - 8	9
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10

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

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

Part XIV Supplemental Information

Complete this part to 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, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Identifier	Return Reference	Explanation
Description of Uncertain Tax Positions Under FIN 48	Part X	Renown South Meadows Medical Center undergoes an annual analysis of its various tax positions, assessing the likelihood of these positions being upheld upon examination with relevant tax authorities, as defined by the accounting principles generally accepted in the United States of America. Renown South Meadows Medical Center believes that it is compliant with all IRS tax regulations and as of June 30, 2011 has not recorded a tax liability for a tax uncertainty. Renown South Meadows Medical Center would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred. Under normal circumstances, Renown South Meadows Medical Center is no longer subject to federal tax examinations by tax authorities for years before 2008.

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

OMB No 1545-0047

2010

Open to Public Inspection

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
Renown South Meadows Medical Center

Employer identification number
46-0517825

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	Yes	
1b	If "Yes," is it a written policy?	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year <input checked="" type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Generally tailored to individual hospitals <input type="checkbox"/> Applied uniformly to most hospitals		
3	Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care <input checked="" type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ % b Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is 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 1000.000000000000 % c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care	Yes	
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"?	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	Yes	
5b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	Yes	
5c	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?		No
6a	Does the organization prepare a community benefit report during the tax year?	Yes	
6b	If "Yes," did the organization make it available to the public? Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H	Yes	

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 Worksheets 1 and 2)			591,585	0	591,585	0 770 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			4,163,559	1,528,521	2,635,038	3 430 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)			287,933	292,980	-5,047	0 %
d Total Financial Assistance and Means-Tested Government Programs			5,043,077	1,821,501	3,221,576	4 200 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			323,808	0	323,808	0 420 %
f Health professions education (from Worksheet 5)			562,050	0	562,050	0 730 %
g Subsidized health services (from Worksheet 6)			0	0		0 %
h Research (from Worksheet 7)			0	0		0 %
i Cash and in-kind contributions to community groups (from Worksheet 8)			32,577	0	32,577	0 040 %
j Total Other Benefits			918,435		918,435	1 190 %
k Total. Add lines 7d and 7j			5,961,512	1,821,501	4,140,011	5 390 %

Part II

Community Building Activities during the tax year, and describe in Part VI how its community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing					
2	Economic development		1,954		1,954	0 %
3	Community support		83		83	0 %
4	Environmental improvements		0			
5	Leadership development and training for community members		32		32	0 %
6	Coalition building		0			
7	Community health improvement advocacy		0			
8	Workforce development		887		887	0 %
9	Other		0			
10	Total		2,956		2,956	

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	No
2	Enter the amount of the organization's bad debt expense (at cost)	2	3,227,698
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3	1,538,321
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	25,880,344
6	Enter Medicare allowable costs of care relating to payments on line 5	6	23,011,839
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	2,868,505
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	Yes
b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b	Yes

Part IV

Management Companies and Joint Ventures

(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				

Schedule H (Form 990) 2010

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, measured by total revenue per facility, from largest to smallest)

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

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

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the description required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments 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

Identifier	ReturnReference	Explanation
		Part I, Line 6a The organization's community benefit report is contained in a report prepared by its parent corporation, Renown Health Part I, Line 5b The organization budgets the amount of charity care expected in the next year but does not use that estimate as a constraint on the amount of charity care provided

Identifier	ReturnReference	Explanation
		Part I, Line 7 Charity care expense was converted to cost on line 7a using the cost-to-charge ratio derived from Worksheet 2 Unreimbursed medicard and other unreimbursed costs on line 7b and 7c were calculated using the cost-to-charge ratio derived from Worksheet 2 Community health improvement, Health professions education and Cash and In-kind contributions on lines 7e, 7f and 7i are reported from the organization's records

Identifier	ReturnReference	Explanation
		Part I, L7 Col(f) The amount of bad debt expense removed from total expenses to determine the percentage was \$13,789,109

Identifier	ReturnReference	Explanation
		Part II Lines 1 to 8 are community building activities that include partnering with other organizations and individuals to support economic and work force development efforts in the community we serve By working to improve the economic health of the community, we are addressing one of the root causes that impacts the health and well being of the community we serve

Identifier	ReturnReference	Explanation
		<p>Part III, Line 4 The carrying amount of patient receivables is reduced by a valuation allowance that reflects management's estimate of amounts that will not be collected from patients and third-party payors Management reviews patient receivables by payor class and applies percentages to determine estimated amounts that will not be collected from third parties under contractual agreements and amounts that will not be collected from patients due to bad debts Management considers historical write off and recovery information in determining the estimated bad debt provision The amount included on Line 2 is calculated as the bad debt expense included in Part IX, Line 24a, multiplied by the ratio of costs to charges as calculated using worksheet 2 The amount included on Line 3 is calculated as the amount of uninsured patient charges written off as bad debt that is estimated to qualify as charity under the organization's charity care policy The organization estimated the amount based upon an analysis of the FICO scores of its uninsured population A FICO score below 500 is presumed to qualify under the organization's charity policy based upon an analysis of the bankcard balances and mortgage balalnces of this population and the FICO scores of the population that did qualify for charity under the organization's policy The organization estimated that 47.66% of the uninsured population has a FICO score under 500 To calculate the amount included on Line 3, the total bad debt expense at cost was multiplied by 47.66%</p>

Identifier	ReturnReference	Explanation
		Part III, Line 8 The costing methodology for Part III, Line 6 is using the ratio of cost to charges from the FY11 as filed Medicare cost report

Identifier	ReturnReference	Explanation
		Part III, Line 9b Patients in the process of qualifying for state or local indigent programs or the organization's charity program are indicated with a particular payor class/status in the patient accounting system The patient is not subject to collection efforts while in those classes/statuses

Identifier	ReturnReference	Explanation
		<p>Part VI, Line 2 The organization reviews the current demographic information of the population it serves and the impact those demographics have on the health needs of the community See explanation 4 below for a description of the community While the demographics start to tell the story of community health needs, Renown Health also consults with community partners and draws from state and local government, non-profits, and school district data sources to assess healthcare needs in the community Renown Health also used data from Thomson Reuters, an information services company, to identify health care needs and barriers in its service area Renown Health's Community Benefit Committee spearheads the development of an annual community needs assessment and corresponding community benefit plan, and oversees the tracking and reporting of community benefit activities The committee oversees the development or updating of a community needs assessment in the fall, and from that assessment develops a community benefit plan that prioritizes and identifies community needs that the organization can support with its finite resources Both documents are presented to Renown Health's CEO and President's Council for refinement and approval annually The needs assessment and community benefit plan then go before the Renown Health Board for review and approval on behalf of all Renown organizations The committee presents the plan to membership, all other boards, medical staff, leadership and employees, and it works with community partners to finalize details of approved programs and community partnerships</p>

Identifier	ReturnReference	Explanation
		Part VI, Line 3 The organization educates patients on assistance eligibility upon their request and whenever situations indicate that the patient may be unable to pay for services The organization contracts with an external vendor to work with uninsured patients to establish eligibility for a state or local program For those that do not qualify for a state or local program, the vendor will work with the patient to complete the organization's charity care process

Identifier	ReturnReference	Explanation
		<p>Part VI, Line 4 Washoe County is located in the northwest corner of Nevada and has a population of 421,407 according to the 2010 US Federal Census. The population in the Reno-Sparks area is 50.5% male and 49.5% female. A quarter (25.2%) of the population is under the age of 18. 40.8% is in the 18-44 age group and 23.7% is from age 45-64. 10.2% of the population is 65+. Washoe County's population was estimated to have the following breakdown as of January 2009: 67.7% Caucasian/white, 2.7% African American / black, 6.3% Asian / Hawaiian or Pacific Islander, and 21.3% Hispanic. Fifteen percent of adults in the greater Reno-Sparks area do not have a high school diploma. 24.9% have a high school diploma or equivalent resulting in approximately 40% of the population at or below a high school level education. The greater Reno-Sparks median household income was estimated to be \$50,839 according to the US Federal Census. Over 9% of Nevadans are under the federal poverty guidelines, with many more being within 100-300% of federal poverty guidelines (commonly referred to as the "working poor"). Reno-Sparks unemployment currently is estimated to be at 12.1% as of October 2011, reflecting improvement from a high of 13%. 17.5% of Nevada residents were without health insurance in 2008, which is the most recently available study specific to Nevada. Washoe County's uninsured rate was slightly lower at 17.0%. 35.2% of the greater Reno-Sparks occupied housing units are rentals, which is higher than the national average. Only 28.9% of Nevadans were born in the state, vs. 58.9% for the U.S. as a whole. 20% of Washoe County residents moved in 2008 vs. 15% for the U.S., with 7.2% moving from outside the county. Nevada also has a higher percentage of divorced adults than other states.</p>

Identifier	ReturnReference	Explanation
		Part VI, Line 6 See Schedule O , Part III, Line 4a for a description of how the organization furthers its exempt purpose by promoting the health of the community

Identifier	ReturnReference	Explanation
		<p>Part VI, Line 7 Renown South Meadows Medical Center is part of Renown Health, northern Nevada's largest, private, not-for-profit healthcare network. As a local not-for-profit health network, Renown Health's income stays right here in the community to provide many programs and services that would otherwise be unavailable. Renown is dedicated to this region and governed by local community leaders and physicians. We are proud to provide the health, education and social welfare that our friends, neighbors and family members expect and deserve. Renown Health has more than 4,900 employees and serves a 17-county region with a total population in excess of \$1.9 million. Renown Health includes Renown Regional Medical Center, a 808-bed full service regional hospital, Renown South Meadows Medical Center, a 76-bed acute care community hospital, Renown Rehabilitation Hospital, a 62-bed rehabilitation hospital, Renown Skilled Nursing, a 160-bed skilled nursing facility, a children's hospital, numerous medical-group, urgent-care and outpatient imaging practices, and a health-insurance provider. Renown Health offers advanced care for patients and embraces its role in improving the health and well-being of the people in the communities we serve. Besides our commitment to meeting the healthcare needs of the region, Renown Health gives back to communities by contributing funds, services, facilities and the time and expertise of employees. These benefits to the community flow from Renown Health as a whole and from the individual hospitals, facilities and departments that make up our health network. For the fiscal year ending June 30, 2011, Renown Health and its subsidiaries provided over \$139 million in benefit to the community (using community benefit numbers gathered by the Nevada Hospital Association using state-approved criteria to ensure consistency). For a full report on the benefit Renown Health provided to our community as well as our needs assessment and community benefit plan go to www.renown.org/communitybenefit</p>

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
Renown South Meadows Medical Center

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

OMB No 1545-0047

2010

Open to Public
Inspection

Employer identification number
46-0517825

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. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional space is needed. ☐

1 (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) Renown Skilled Nursing 1155 MILL STREET Reno, NV 89502	20-1347269	501(c)(3)	41,486				Skilled nursing to low income individuals
(2) Hometown Health Management Company 1155 MILL STREET Reno, NV 89502	88-0236758		55,152				Health Hotline
(3) Nevada Youth Ski Education Foundation 2900 Sutro St Reno, NV 89512	88-0292780	501(c)(3)	20,000				Ski Education Sponsorship

2

Enter total number of section 501(c)(3) and government organizations

2

3

Enter total number of other organizations

1

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.
Use Schedule I-1 (Form 990) 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. Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
Other Information	Part IV	The organization's grants are given directly to the recipient to cover a need that was identified during the granting process There is no ongoing monitoring necessary for these grants

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
Renown South Meadows Medical Center

Employer identification number
46-0517825

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	<div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div></div> <div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div></div> <div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div></div> <div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	1b	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	<div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Written employment contract</div></div> <div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div></div> <div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment from the organization or a related organization?	4a	No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a	The organization?	5a	No
b	Any related organization?	5b	No
	If "Yes," to line 5a or 5b, describe in Part III		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a	The organization?	6a	No
b	Any related organization?	6b	No
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	No
8	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 Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	8	No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9	

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(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 in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) James Miller	(i)	0	0	0	0	0	0	0
	(ii)	768,773	119,889	11,801	324,504	16,606	1,241,573	0
(2) Donald Claypool	(i)	0	0	0	0	0	0	0
	(ii)	208,319	21,000	3,461	0	14,621	247,401	0
(3) Tom Herbert	(i)	0	0	0	0	0	0	0
	(ii)	215,443	240,338	902	8,420	20,189	485,292	0
(4) Dawn Ahner	(i)	0	0	0	0	0	0	0
	(ii)	393,083	82,784	44	65,679	19,445	561,035	0
(5) Allan Hanssen	(i)	0	0	0	0	0	0	0
	(ii)	304,008	31,699	1,170	51,426	8,450	396,753	0
(6) Gail Green	(i)	162,466	24,750	1,106	0	17,078	205,400	0
	(ii)	0	0	0	0	0	0	0
(7) Kevin Desmond	(i)	146,460	7,696	4,009	6,600	23,211	187,976	0
	(ii)	0	0	0	0	0	0	0
(8) Christopher Sullivan	(i)	132,099	0	2,418	5,670	18,125	158,312	0
	(ii)	0	0	0	0	0	0	0
(9) Lyle Case	(i)	134,252	0	2,197	5,622	18,912	160,983	0
	(ii)	0	0	0	0	0	0	0
(10) Delia Saclayan	(i)	141,080	0	2,785	5,885	15,564	165,314	0
	(ii)	0	0	0	0	0	0	0
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

Part IIISupplemental Information

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

Identifier	Return Reference	Explanation
	Part I, Line 4b	Dawn Ahner is party to a supplemental nonqualified retirement plan. Contributions of \$55,879 to Dawn Ahner were included in Schedule J, Part II, Column (C).
Supplemental Information	Part III	Part I, Line 3. Renown South Meadows Medical Center relies on Renown Health, a related organization, to establish compensation for officers and other key employees. Renown Health uses the identified methods to establish compensation. See Schedule O, Form 990, Part VI, Section B, Line 15 for a description of the process utilized by Renown Health.

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.

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization Renown South Meadows Medical Center	Employer identification number 46-0517825
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Identifier	Return Reference	Explanation
Employees reported on W-3	Form 990, Part V, Line 2	Renown South Meadows Medical Center has its own employees, however, Renown Health, the parent organization, pays all compensation and employee benefit amounts under a common paymaster arrangement. The actual compensation of each employee is directly charged to their assigned entity. Salaries are reported on line 7 of Part IX.

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 2		James Miller, Dawn Ahner and Kathleen Drakulich have a business relationship due to the fact that they serve as directors on two related Renown Health exempt entity boards together

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 6		Renow n Health is the sole corporate member of Renow n South Meadows Medical Center

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7a		Renown Health, acting through its board of directors, appoints the members of the board of governors of Renown South Meadows Medical Center

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7b		Renow n Health must approve any merger, consolidation or dissolution of Renow n South Meadows Medical Center, any borrowing in excess of \$1 million in any fiscal year, and encumbrances of assets and certain other actions not in the ordinary course of business

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 8b		There was no committee during the year that had the broad authority to act on behalf of the board

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		The Form 990 is prepared by the organization's tax department with support from a certified tax preparer. The form is reviewed by the organization's Chief Accounting Officer and the Chief Financial Officer prior to the final Form 990 being sent to the board. The IRS Form 990, as filed with the IRS, is sent to each voting member of the Renown Health Board prior to filing. Along with the forms, the Renown Health board is provided with a narrative that explains the various parts of the form and their content.

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 12c	On an annual basis at or prior to the first regular meeting following the election of new board members, the members of the Renown South Meadows Medical Center Board are given an Annual Disclosure Statement. They are expected to perform a reasonable investigation into their business, financial, family or significant personal relationships to disclose any actual or potential conflicts of interest. If, in connection with a proposed transaction or arrangement involving a Renown Health entity, a board member discovers that an actual or possible conflict of interest has arisen that was not disclosed on the Annual Statement, then the board member must disclose the existence and nature of his or her financial interests to the remaining directors that are considering the proposed transaction or arrangement in a timely manner. If a board member discloses an actual or possible conflict of interest, the board member shall leave the board or committee meeting while the remaining board members discuss the financial interest. The remaining board members shall vote upon and decide whether a conflict of interest actually exists. If the remaining board members determine that a conflict does exist, then appropriate measures are taken to ensure the issue is addressed.

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 15	<p>Renown Health's executive compensation is set by the Renown Health Compensation Committee. Members of this committee review and approve various employee pay practices and parameters, as well as compensation for the CEO and certain executives. The Compensation Committee is comprised of independent members of the Renown Health Board of Directors unrelated to and not subject to the control or undue influence of executives, with no material financial interest in transactions of the Company or any other perceived or actual conflicts of interest. The Compensation Committee members are appointed by the Chairman of the Renown Health Board of Directors. The Compensation Committee meets approximately five times per year. Meeting minutes are kept documenting the deliberations and decisions regarding the compensation arrangements. Total cash compensation for the organization's executives are targeted at competitive compensation levels, relative to market surveys of comparable healthcare organizations, based upon the level of performance required to achieve the targeted compensation levels. Base compensation and total cash compensation is reviewed at a minimum of every two years in comparison to the surveys for comparable businesses and responsibilities and adjusted as to maintain equity with the survey information. The Compensation Committee undertook the process outlined above for the fiscal year 2011 executive compensation.</p>

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section C, line 19	Renown South Meadows Medical Center doesn't make its governing documents or conflict of interest policy available to the public. A copy of the audited financial statements is part of the Form 990 which is made available to the public.

Identifier	Return Reference	Explanation
	Form 990, Part VI, Line 16b	There is no written policy or procedure that is specific to joint ventures. Instead, there is a written policy in regards to financial transactions with physicians and physician entities. The one joint venture entered into during fiscal year 11 was evaluated in accordance with that policy. Any future ventures with physicians would also be evaluated in accordance with that policy. Other types of transactions would be evaluated in accordance with the exempt status of the organization and its applicable purposes.

Identifier	Return Reference	Explanation
	Form 990, Part VII, Column B	Jim Miller, President & CEO, serves this entity and all related entities a total of 60 hours per week See Part VII for hours devoted to this entity Dawn Ahner, CFO, serves this entity and all related entities a total of 60 hours per week See Part VII for hours devoted to this entity Allan Hanssen, VP Strategic Initiatives, serves this entity and all related entities a total of 60 hours per week See Part VII for hours devoted to this entity

Identifier	Return Reference	Explanation
	Form 990, Part X, Line 20	The issue price includes the filing organization's share of the entire bond issue, which was issued to Renown Regional Medical Center on behalf of the Renown Obligated Group. The Renown Obligated Group consists of Renown Regional Medical Center and Renown South Meadows Medical Center. In accordance with IRS instructions, information related to the tax exempt bond reporting is being reported on Renown Regional Medical Center's tax return (EIN 88-0213754).

Identifier	Return Reference	Explanation
AUDIT COMMITTEE	FORM 990, PART XII, LINE 2B	Renow n Health, the sole member of this entity, has an audit committee that assumes responsibility for the consolidated audit and selection of the independent accountant

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Renown South Meadows Medical Center

Employer identification number
46-0517825

Part I

Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

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

Part II

Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) Renown Health 1155 Mill St Z-5 Reno, NV 89502 94-2972845	Health Care	NV	501 (C) (3)	III-FI	N/A		No
(2) Renown Regional Medical Center 1155 Mill St Z-5 Reno, NV 89502 88-0213754	Hospital	NV	501 (C) (3)	3	Renown Health		No
(3) Renown Health Foundation 1155 Mill St Z-5 Reno, NV 89502 94-2972749	Foundation	NV	501 (C) (3)	7	Renown Health		No
(4) Renown Network Services 1155 Mill St Z-5 Reno, NV 89502 88-0231828	Outpatient Imaging and Pregnancy Center	NV	501 (C) (3)	3	Renown Health		No
(5) Renown Skilled Nursing 1155 Mill St Z-5 Reno, NV 89502 20-1347269	Hospital	NV	501 (C) (3)	3	Renown Health		No
(6) Hometown Health Plan 1155 Mill St Z-5 Reno, NV 89502 88-0231433	HMO	NV	501 (C) (4)		Renown Health		No

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(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	
(1) Routt Dialysis LLC 1155 Mill St Z-5 Reno, NV89502 26-3558729	Kidney Dialysis	NV	N/A									
(2) Nevada Heart Institute Clinic LLC 1155 Mill St Z-5 Reno, NV89502 45-3571779	Cardiology	NV	N/A									

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
See Additional Data Table							

Part V

Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

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 (iv) rent from a controlled entity

b

Gift, grant, or capital contribution to other organization(s)

c

Gift, grant, or capital contribution from other organization(s)

d

Loans or loan guarantees to or for other organization(s)

e

Loans or loan guarantees by other organization(s)

f

Sale of assets to other organization(s)

g

Purchase of assets from other organization(s)

h

Exchange of assets

i

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

j

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

k

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

l

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

m

Sharing of facilities, equipment, mailing lists, or other assets

n

Sharing of paid employees

o

Reimbursement paid to other organization for expenses

p

Reimbursement paid by other organization for expenses

q

Other transfer of cash or property to other organization(s)

r

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

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

No

No

No

No

No

No

Yes

Yes

Yes

No

No

No

No

Yes

Yes

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) Hometown Health Plan Inc	L	10,900,717	General Ledger
(2) Hometown Health Plan Inc	K	872,435	General Ledger
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2010

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**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation
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Software ID:

Software Version:

EIN: 46-0517825

Name: Renown South Meadows Medical Center

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled organization	
						Yes	No
Renown Health 1155 Mill St Z-5 Reno, NV89502 94-2972845	Health Care	NV	501 (C) (3)	III-FI	N/A		No
Renown Regional Medical Center 1155 Mill St Z-5 Reno, NV89502 88-0213754	Hospital	NV	501 (C) (3)	3	Renown Health		No
Renown Health Foundation 1155 Mill St Z-5 Reno, NV89502 94-2972749	Foundation	NV	501 (C) (3)	7	Renown Health		No
Renown Network Services 1155 Mill St Z-5 Reno, NV89502 88-0231828	Outpatient Imaging and Pregnancy Center	NV	501 (C) (3)	3	Renown Health		No
Renown Skilled Nursing 1155 Mill St Z-5 Reno, NV89502 20-1347269	Hospital	NV	501 (C) (3)	3	Renown Health		No
Hometown Health Plan 1155 Mill St Z-5 Reno, NV89502 88-0231433	HMO	NV	501 (C) (4)		Renown Health		No

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

(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
Renown Businesses 1155 Mill St Z-5 Reno, NV89502 88-0228030	Health Care	NV	N/A	C			
Hometown Health Management Company 1155 Mill St Z-5 Reno, NV89502 88-0236758	Management Services	NV	N/A	C			
Hometown Health Providers Insurance Co 1155 Mill St Z-5 Reno, NV89502 88-0177026	Insurance	NV	N/A	C			
The Provider Network Inc 1155 Mill St Z-5 Reno, NV89502 88-0376369	Health Care	NV	N/A	C			
Remittance Assistance Corporation 1155 Mill St Z-5 Reno, NV89502 88-0277761	Collections	NV	N/A	C			
Nevada Heart Institute 1155 Mill St Z-5 Reno, NV89502 88-0247743	Cardiology	NV	N/A	C			
NHI-1 Inc 1155 Mill St Z-5 Reno, NV89502 88-0303924	Cardiology	NV	N/A	C			
Elko Heart Institute 1155 Mill St Z-5 Reno, NV89502 45-2152594	Cardiology	NV	N/A	C			

Combined Financial Statements
June 30, 2011 and 2010

Renown Health

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Independent Auditor's Report

The Board of Directors
Renown Health
Reno, Nevada

We have audited the accompanying combined balance sheet of Renown Health as of June 30, 2011, and the related combined statements of operations, changes in net assets, and cash flows for the year then ended. These combined financial statements are the responsibility of Renown Health's management. Our responsibility is to express an opinion on these combined financial statements based on our audit. The combined financial statements of Renown Health, as of June 30, 2010, were audited by other auditors whose report dated August 31, 2010, expressed an unqualified opinion on those combined financial statements.

We conducted our audit 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2011 combined financial statements referred to above present fairly, in all material respects, the combined financial position of Renown Health as of June 30, 2011, and the results of their combined operations, changes in net assets, and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 18, during 2011 Renown Health discontinued the amortization of goodwill and is now testing goodwill for impairment. If an impairment is determined to exist, goodwill is being written down to its fair value. During 2011, Renown Health also implemented the new guidance regarding accounting for noncontrolling interests in combined subsidiaries.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2011, on our consideration of Renown Health's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in black ink that reads "Erik Sully LLP". The signature is written in a cursive, flowing style.

Fargo, North Dakota
August 30, 2011

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	2011	2010
	(In Thousands)	
Assets		
Current Assets		
Cash and cash equivalents	\$ 115,915	\$ 91,666
Marketable securities	321,199	288,710
Receivables		
Patient, net of allowance for uncollectible accounts of \$83,218 in 2011 and \$103,297 in 2010	113,938	112,851
Other	12,749	16,877
Inventory	18,428	18,516
Funds held in trust, current	4,818	5,023
Prepaid expenses and other	4,718	4,832
Total current assets	591,765	538,475
Funds Held in Trust, Net of Current Portion		
For debt service	10,615	11,070
For capital projects	14,245	14,245
Total funds held in trust, net of current portion	24,860	25,315
Property and Equipment, Net	604,794	618,798
Other Assets		
Unamortized financing costs, net of accumulated amortization of \$5,947 in 2011 and \$5,242 in 2010	18,364	18,688
Goodwill, net of accumulated amortization of \$4,916 in 2011 and \$5,669 in 2010	8,455	8,927
Investments in affiliated companies	19,965	20,624
Other	13,668	12,272
Total other assets	60,452	60,511
Total assets	\$ 1,281,871	\$ 1,243,099

See Notes to Combined Financial Statements

Renown Health
Combined Balance Sheets
June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
	(In Thousands)	
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	\$ 27.047	\$ 23.033
Accounts payable		
Trade	29.205	29.928
Estimated third-party payor settlements and other	27.552	27.111
Accrued salaries, wages and benefits	<u>43.754</u>	<u>40.997</u>
Total current liabilities	127.558	121.069
Other	57.520	62.308
Long-Term Debt, Less Current Maturities	<u>528.748</u>	<u>541.671</u>
Total liabilities	<u>713.826</u>	<u>725.048</u>
Net Assets		
Unrestricted	552.730	504.376
Noncontrolling interest in combined subsidiary	<u>4.437</u>	<u>5.462</u>
Total unrestricted	557.167	509.838
Temporarily and permanently restricted	<u>10.878</u>	<u>8.213</u>
Total net assets	<u>568.045</u>	<u>518.051</u>
Total liabilities and net assets	<u><u>\$ 1,281.871</u></u>	<u><u>\$ 1,243.099</u></u>

Renown Health
Combined Statements of Operations
Years Ended June 30, 2011 and 2010

	2011	2010
	(In Thousands)	
Unrestricted Revenues, Gains, and Other Support		
Net patient service revenues	\$ 649,340	\$ 622,709
Premium revenues	212,547	220,765
Other revenues	25,804	20,743
	<u>887,691</u>	<u>864,217</u>
Total unrestricted revenues, gains, and other support		
Expenses		
Salaries and wages	281,623	257,284
Employee benefits	40,679	38,896
Provision for bad debts	119,452	127,638
Supplies	118,049	116,818
Professional fees	20,585	22,781
Health care expenses	118,938	127,190
Purchased services	50,509	46,995
Repairs and maintenance	3,334	3,426
Utilities and telephone	9,104	10,090
Insurance	6,570	6,756
Provision for depreciation/amortization	45,960	47,159
Interest	29,875	29,662
Rental and lease	8,455	7,818
Other	21,339	19,146
	<u>874,472</u>	<u>861,659</u>
Total expenses		
Operating Income	<u>13,219</u>	<u>2,558</u>
Other Income (Loss)		
Investment income	10,516	13,272
Unrealized gain (loss) on investments	3,742	(358)
Loss on extinguishment of debt	-	(382)
Gain (loss) on interest rate swaps	1,425	(11,108)
Provision for income tax	11	12
	<u>15,694</u>	<u>1,436</u>
Other income (loss), net		
Revenues in Excess of Expenses	28,913	3,994

	<u>2011</u>	<u>2010</u>
	(In Thousands)	
Revenues in Excess of Expenses	\$ 28,913	\$ 3,994
Change in Unrealized Gains and Losses on Investments	16,523	7,554
Change in Unrealized Gains and Losses on Interest Rate Swaps	5,847	1,607
Change in Accounting Principle	(3,910)	-
Other Changes	(889)	(948)
Contributions for Property Acquisitions	<u>845</u>	<u>445</u>
Increase in Unrestricted Net Assets	<u><u>\$ 47,329</u></u>	<u><u>\$ 12,652</u></u>

Renown Health
Combined Statements of Changes in Net Assets
Years Ended June 30, 2011 and 2010

	2011	2010
	(In Thousands)	
Unrestricted Net Assets		
Revenues in excess of expenses	\$ 28,913	\$ 3,994
Change in unrealized gains and losses on investments	16,523	7,554
Change in unrealized gains and losses on interest rate swaps	5,847	1,607
Change in accounting principle	(3,910)	-
Other changes	(889)	(948)
Contributions for property acquisitions	845	445
	<u>47,329</u>	<u>12,652</u>
Temporarily and Permanently Restricted Net Assets		
Contributions and related investment income	3,510	1,778
Net assets released from restrictions	(845)	(445)
	<u>2,665</u>	<u>1,333</u>
Increase in temporarily and permanently restricted net assets		
	<u>2,665</u>	<u>1,333</u>
Increase in Net Assets	49,994	13,985
Net Assets, Beginning of Year	518,051	504,066
Net Assets, End of Year	<u>\$ 568,045</u>	<u>\$ 518,051</u>

Renown Health
Combined Statements of Cash Flows
Years Ended June 30, 2011 and 2010

	2011	2010
	(In Thousands)	
Operating Activities		
Change in net assets	\$ 49,994	\$ 13,985
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Provision for bad debts	119,452	127,638
Provision for depreciation/amortization	45,960	47,159
Change in accounting principle	3,910	-
Contributions for property acquisition	(845)	(445)
Realized loss (gain) on sale of property	242	(260)
Net gain on marketable securities	(20,479)	(7,290)
(Increase) decrease in fair value on interest rate swaps	(7,272)	9,501
Restricted contributions and related interest income	(3,510)	(1,778)
Loss on early extinguishment of long-term obligations	-	382
Amortization of financing costs and bond discounts/premiums	571	642
Decrease in malpractice liability	(1,706)	(1,015)
Loss on equity investment in joint ventures	1,894	2,027
(Increase) decrease in postretirement health care benefits liability	(1,695)	1,342
Changes in assets and liabilities		
Receivables	(111,914)	(124,845)
Inventory	88	(151)
Prepaid expenses and other	305	61
Accounts payable and accrued expenses	(828)	1,727
Other liabilities	2,273	(5,359)
Net Cash provided by Operating Activities	76,440	63,321
Investing Activities		
Purchase of property, plant and equipment	(27,573)	(12,463)
Proceeds from sales of property, plant and equipment	99	531
Purchase of marketable securities	(78,724)	(178,319)
Sales of marketable securities	66,940	163,358
Acquisition of business, net of acquired cash	(5,247)	(336)
Decrease in funds held in trust	202	169
Net Cash used for Investing Activities	(44,303)	(27,060)
Financing Activities		
Additions to long-term debt	609	4,110
Principal payments on long-term debt	(8,447)	(27,384)
Increase in swap collateral	(50)	(2,359)
Restricted contributions and related interest income	3,510	1,778
Increase in bond premium	-	578
Increase in financing costs	-	(633)
Net Cash used for Financing Activities	(7,888)	(23,910)

Renown Health
Combined Statements of Cash Flows – Page 2
Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
	(In Thousands)	
Net Increase in Cash and Cash Equivalents	\$ 24,249	\$ 12,351
Cash and Cash Equivalents, Beginning of Year	<u>91,666</u>	<u>79,315</u>
Cash and Cash Equivalents, End of Year	<u>\$ 115,915</u>	<u>\$ 91,666</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest, net of interest capitalized of (\$285) in 2011 and \$300 in 2010	<u>\$ 27,087</u>	<u>\$ 27,558</u>

Note 1 - Organization and Significant Accounting Policies

Organization

Renown Health is a tax-exempt comprehensive integrated health care delivery network located in Reno, Nevada and includes the operations of the following subordinate corporations

Renown Regional Medical Center (Regional) is a tax-exempt 501(c)(3) Nevada nonprofit corporation that operates a 808 licensed bed general acute care facility. Regional provides a full range of medical services to both inpatients and outpatients.

Renown South Meadows Medical Center (South Meadows) is a tax-exempt 501(c)(3) Nevada nonprofit corporation that owns and operates a 76-bed acute-care community hospital. South Meadows also has a 40-bed Assisted Living facility and operates a 62-bed rehabilitation hospital under the name Renown Rehabilitation Hospital.

Renown Businesses is a taxable Nevada for profit corporation that operates professional office buildings. It also owns Remittance Assistance Corporation, a taxable Nevada for profit accounts receivable collection agency, and Northern Sierra Dialysis Center, a taxable dialysis company. In addition, Renown Businesses operates various commercial businesses to provide services to patients, physicians, and employees under the following d/b/a's: Artisans Market and Bistro, The Inn at Renown, The Shops at Renown, and Materiel Solutions.

Hometown Health Plan, Inc. (Hometown Plan) is a tax-exempt 501(c)(4) Nevada nonprofit corporation that operates a health maintenance organization.

Hometown Health Management Company (Hometown Management) is a taxable Nevada nonprofit corporation that has interests in other health care related businesses and provides management services to Hometown Plan and a fully owned subsidiary, Hometown Health Providers Insurance Company (Hometown Providers), a taxable Nevada nonprofit corporation that operates a preferred provider organization.

Renown Network Services is a tax-exempt 501(c)(3) Nevada nonprofit corporation that acts as the cash repository for Renown Health. In addition, Renown Network Services operates an obstetrics clinic to improve access to care, and various outpatient imaging centers.

Renown Skilled Nursing is a tax-exempt 501(c)(3) Nevada nonprofit corporation that owns a 160-bed skilled nursing facility.

Renown Health Foundation is a tax-exempt 501(c)(3) Nevada nonprofit corporation that was organized for the purpose of raising funds for Renown Health to benefit the community.

Nevada Health Care Cooperative (Nevada Cooperative) is a taxable Nevada nonprofit purchasing cooperative established to enhance the contract terms and conditions for its members, which include certain corporations within Renown Health.

Renown Institute for Heart & Vascular Health (Renown Heart) is a taxable Nevada nonprofit corporation that provides outpatient heart and vascular services throughout the community.

Nevada Heart Institute Clinic, LLC (Nevada Heart Clinic) is a joint venture between Renown Heart (50 percent), Regional (45 percent), and South Meadows (5 percent) for the purpose of providing hospital based heart and vascular services

Roult Dialysis, LLC is a joint venture between Renown Businesses (16 percent), Northern Sierra Dialysis Center (36 percent) and other partners (48 percent) for the purposes of providing dialysis services

Principles of Combination

The combined financial statements include the accounts of Renown Health and its subordinate corporations and subsidiaries. All significant intercompany accounts and transactions have been eliminated in combination.

Tax-exempt Status

Renown Health and its members are organized as Nevada nonprofit entities, except for Renown Business and its subsidiaries, Nevada Health Care Cooperative and Hometown Management and its subsidiaries, and have been recognized by the Internal Revenue Service as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) or 501(c)(4).

Renown Health undergoes an annual analysis of its various tax positions, assessing the likelihood of these positions being upheld upon examination with relevant tax authorities, as defined by the accounting principles generally accepted in the United States of America. Renown Health believes that it is compliant with all IRS tax regulations and as of June 30, 2011 has not recorded a tax liability for a tax uncertainty. Renown Health would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Under normal circumstances, Renown Health is no longer subject to federal tax examinations by tax authorities for years before 2008.

Income Taxes

Renown Health records income taxes using the liability method. Under this method, deferred income tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities and are measured using the currently enacted tax rates and laws that are scheduled to be in effect when the differences are expected to reverse.

Use of Estimates

The preparation of the combined financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

Renown Health has determined the fair value of certain assets and liabilities in accordance generally accepted accounting principles, which provides a framework for measuring fair value

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques should maximize the use of observable inputs and minimize the use of unobservable inputs.

A fair value hierarchy has been established, which prioritizes the valuation inputs into three broad levels. Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset or liability. Level 3 inputs are unobservable inputs related to the asset or liability.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with original maturities of three months or less, excluding funds held in trust. The carrying amount approximates fair value due to the short maturity of those instruments.

Marketable Securities and Investment Income

Marketable securities include equity and debt securities which are measured at fair value in the balance sheet. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in revenues in excess of expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from revenues in excess of expenses unless the investments are trading securities.

Receivables

Receivables have been recorded at net realizable value which is believed to approximate fair value.

Patient Receivables

Patient receivables are uncollateralized patient and third-party payor obligations. Payments of patient receivables are allocated to the specific claims identified on the remittance advice or, if unspecified, are applied to the earliest unpaid claim.

The carrying amount of patient receivables is reduced by a valuation allowance that reflects management's estimate of amounts that will not be collected from patients and third-party payors. Management reviews patient receivables by payor class and applies percentages to determine estimated amounts that will not be collected from third parties under contractual agreements and amounts that will not be collected from patients due to bad debts. Management considers historical write off and recovery information in determining the estimated bad debt provision.

Inventory

Inventory is stated at average cost

Funds Held in Trust

Funds held in trust include cash equivalents, mutual funds, and debt securities which are measured at fair value in the combined balance sheet. Funds held in trust include amount held by trustees under indenture agreements for debt service and capital projects and amounts held by the counterparty to Renown Health's interest rate swap contracts in accordance with the related collateral agreement. Funds held in trust that are available for obligations classified as current liabilities are reported as current assets. The total amount held by the counterparty under the interest rate swap contract was \$4.110 and \$4.060 at June 30, 2011 and 2010.

Property and Equipment

Property and equipment acquisitions in excess of \$2,500 (not in thousands) are capitalized and recorded at cost. Depreciation is provided over the estimated useful life of each depreciable asset and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the combined financial statements. Interest on amounts borrowed to finance the construction of assets is capitalized. The estimated useful lives of property and equipment are as follows:

Buildings and improvements	15-40 years
Equipment	3-20 years

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

Unamortized Financing Costs and Bond Premiums and Discounts

Financing costs and bond premiums and discounts are amortized over the period the related obligation is outstanding using the straight-line method, which is a reasonable estimate of the effective interest method.

Goodwill

Goodwill is the result of acquisitions for an amount in excess of fair value of the assets acquired. Renown Health performs an annual test for impairment of goodwill during the year. The test is performed by comparing, at the organization unit level, the carrying value of the organization to its fair value.

Investments in Affiliated Organizations

Investments in affiliated organizations in which Renown Health has the ability to exercise significant influence over operating and financial policies but does not have control are recorded under the equity method of accounting. Under the equity method, the initial investment is recorded at cost and adjusted annually to recognize Renown Health's share of earnings and losses of those entities, net of any additional investments or distributions. Renown Health's share of net earnings or losses of the entities is included in other revenues.

Accounts Payable

Accounts payable approximates fair value because of the short time for which accounts payable are outstanding.

Other Noncurrent Liabilities

Other noncurrent liabilities consist of an estimated liability for professional liability losses, liabilities associated with guarantees, estimated liabilities for postretirement health care benefits and contributory defined benefit plan, and certain estimated third-party settlements.

Temporarily and Permanently Restricted Net Assets

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

Revenues in Excess of Expenses

Revenues in excess of expenses excludes unrealized gains and losses on investments other than trading securities, transfers of assets to and from related parties for other than goods and services, change in net unrealized gains and losses on the effective portion of interest rate swaps, change in net unrealized gains and losses from pension and other postretirement benefit obligations, changes in accounting principles, and contributions of long-lived assets, including assets acquired using contributions which were restricted by donors. Revenues in excess of expenses as reflected in the combined statements of operations is a performance indicator.

Net Patient Service Revenue

Renown Health has agreements with third-party payors that provide for payments to Renown Health at amounts different from its established rates. Payment arrangements include prospectively determined rates, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Premium Revenue

Premium revenues are recognized as income during the period in which health care coverage is provided. Premium revenue billed and/or collected in advance is deferred as unearned premium revenue, which is included in third-party settlements and other in the combined balance sheets.

Charity Care

To fulfill its mission of community service, Renown Health provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because Renown Health does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue.

Donor-restricted Gifts

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

Health Care Expenses and Incurred but Not Paid Liability

Renown Health maintains provider contracts with health care service providers, including hospitals, physician groups and pharmacies. These providers are paid primarily on a capitation or fee-for-service basis. These costs are recognized in the month in which services are provided and are included as part of health care expenses. Coordination of benefits recoveries are netted against these amounts.

Estimated claims payable includes claims reported as of the balance sheet date and estimates (based on projections from historical data) of health care costs expenses incurred but not paid. These amounts are included as part of third-party settlements and other in the combined balance sheets. Estimates are continually monitored and reviewed, and as settlements are made or estimates adjusted, differences are reflected in current operations. Losses are also recognized when it is probable that expected future health care expenses and maintenance costs related to the contract term of certain existing contracts will exceed anticipated future premiums from the related contracts. Due to the subjective nature of these reserves, there is a reasonable possibility that recorded estimates could differ from actual results in the future.

Derivative Financial Instruments

Renown Health records derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through income. If the derivative qualifies as a hedge, depending on the nature of the hedge, changes in the fair value of derivatives will either be offset against the change in net assets or income. The ineffective portion of a derivative's change in fair value is immediately recognized in earnings.

Reclassifications

Reclassifications have been made to the June 30, 2010 combined financial statements to make it conform to the current year presentation. Except as noted in Note 18, these reclassifications had no effect on previously reported operating results or changes in net assets.

Note 2 - Charity Care

Renown Health maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy. The amounts of charges foregone for services and supplies furnished under Renown Health's charity care policy and state and county indigent care programs is \$374,804 and \$334,175 for the years ended June 30, 2011 and 2010.

Note 3 - Net Patient Service Revenue

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

Medicare Inpatient acute care and outpatient services rendered to Medicare program beneficiaries are generally paid at prospectively determined rates per encounter. These rates vary according to a patient classification system based on clinical, diagnostic, and other factors. Renown Health is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the hospitals and audits thereof by the Medicare fiscal intermediary. Renown Health's Medicare cost reports have been audited by the Medicare fiscal intermediary through the year ended June 30, 2007.

Medicaid Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed based on prospectively determined rates per length of stay and/or a fee schedule.

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

Gross revenues from the Medicare, Medicaid, and Other Insurers accounted for the following percentages of Renown Health's patient service revenues for the years ended June 30, 2011 and 2010:

	2011	2010
Medicare	39%	36%
Medicaid	9%	8%
PPO/HMO	32%	34%
Other	20%	22%

Laws and regulations governing Medicare, Medicaid, and other programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Net patient service revenue for the years ended June 30, 2011 and 2010, increased approximately \$1.093 and \$2.785 due to differences in estimated and actual cost report settlements and due to the removal of allowances previously estimated that are no longer necessary as a result of final settlements and years that are no longer likely subject audits, reviews, and investigations.

Note 4 - Funds Held in Trust, Marketable Securities, and Investment Income

Funds Held in Trust

The composition of funds held in trust at June 30, 2011 and 2010, is shown in the following table:

	2011	2010
Funds held in trust		
Money market mutual funds	\$ 15.449	\$ 20.436
U S federal agency securities	10.119	5.460
Cash and equivalents	4.110	4.442
	<u>29.678</u>	<u>30.338</u>
Less amount shown as current	<u>(4.818)</u>	<u>(5.023)</u>
	<u><u>\$ 24.860</u></u>	<u><u>\$ 25.315</u></u>

Marketable Securities

Marketable securities are stated at fair value. The composition of marketable securities at June 30, 2011 and 2010 is shown in the following table:

	2011	2010
U S federal agency securities	\$ 57,378	\$ 58,283
U S equity mutual funds	70,834	53,436
U S fixed income commingled funds	40,930	39,255
U S federal agency mortgage-backed securities	24,532	28,870
U S government securities	29,456	27,206
Foreign fixed income commingled funds	27,957	25,140
Foreign equity commingled funds	28,982	22,916
U S corporate fixed income securities	19,356	16,262
U S fixed income mutual funds	14,273	9,175
U S corporate fixed income asset-backed securities	5,542	6,747
Foreign equity mutual funds	1,489	1,040
U S equity securities	470	380
	<u>\$ 321,199</u>	<u>\$ 288,710</u>

Investment Income

Investment income and gains and losses on funds held in trust, marketable securities, and cash and cash equivalents consist of the following for the years ended June 30, 2011 and 2010:

	2011	2010
Other income		
Interest and dividends	\$ 6,411	\$ 8,537
Realized gain on sales of securities	4,109	4,757
	<u>10,520</u>	<u>13,294</u>
Less amounts included in changes in temporarily restricted net assets	<u>(4)</u>	<u>(22)</u>
Amounts included in investment income	<u>\$ 10,516</u>	<u>\$ 13,272</u>

Renown Health uses the average cost method to compute realized gains and losses on securities sold.

Investments in an Unrealized Loss Position

The duration of the investments in an unrealized loss position at June 30, 2011 are shown in the following table

	Less than 12 months		Greater than 12 months	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U S equity mutual funds	\$ -	\$ -	\$ 964	\$ 42
U S equity securities	-	-	134	24
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,098</u>	<u>\$ 66</u>

The duration of the investments in an unrealized loss position at June 30, 2010 are shown in the following table

	Less than 12 months		Greater than 12 months	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Foreign equity mutual funds	\$ 1,040	\$ 142	\$ -	\$ -
U S equity mutual funds	1,606	87	2,229	597
U S equity securities	118	41	-	-
Total	<u>\$ 2,764</u>	<u>\$ 270</u>	<u>\$ 2,229</u>	<u>\$ 597</u>

The unrealized losses on Renown Health's investments in foreign equity mutual funds and U S equity mutual funds and securities were primarily a result of recent market declines consistent with the cyclical nature of the financial markets. Renown Health has a diversified portfolio. Renown Health's investments in an unrealized loss position consist of securities in various market sectors. Based on that evaluation and Renown Health's ability and intent to hold those investments for a reasonable period of time sufficient for a forecasted recovery of fair value, Renown Health does not consider these investments to be other-than-temporarily impaired at June 30, 2011.

Fair Value

The fair value of Renown Health's marketable securities and funds held in trust measured on a recurring basis at June 30, 2011 and 2010, consists of the following

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total Balance
<u>June 30, 2011</u>				
U S federal agency securities	\$ -	\$ 67,497	\$ -	\$ 67,497
U S equity mutual funds	70,834	-	-	70,834
U S fixed income comingled funds	-	-	40,930	40,930
U S federal agency mortgage-backed securities	-	24,532	-	24,532
U S government securities	29,456	-	-	29,456
Foreign fixed income comingled funds	-	-	27,957	27,957
Foreign equity commingled funds	-	-	28,982	28,982
U S corporate fixed income securities	-	19,356	-	19,356
Money market mutual funds	15,449	-	-	15,449
U S fixed income mutual funds	14,273	-	-	14,273
U S corporate fixed income asset-backed securities	-	5,542	-	5,542
Cash and cash equivalents	4,110	-	-	4,110
Foreign equity mutual funds	1,489	-	-	1,489
U S equity securities	470	-	-	470
Total assets	<u>\$ 136,081</u>	<u>\$ 116,927</u>	<u>\$ 97,869</u>	<u>\$ 350,877</u>

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total Balance
<u>June 30, 2010</u>				
U S federal agency securities	\$ -	\$ 63,743	\$ -	\$ 63,743
U S equity mutual funds	53,436	-	-	53,436
U S fixed income comingled funds	-	-	39,255	39,255
U S federal agency mortgage-backed securities	-	28,870	-	28,870
U S government securities	27,206	-	-	27,206
Foreign fixed income comingled funds	-	-	25,140	25,140
Foreign equity commingled funds	-	-	22,916	22,916
U S corporate fixed income securities	-	16,262	-	16,262
Money market mutual funds	20,436	-	-	20,436
U S fixed income mutual funds				
U S corporate fixed income asset-backed securities	9,175	-	-	9,175
backed securities	-	6,747	-	6,747
Cash and cash equivalents	4,442	-	-	4,442
Foreign equity mutual funds	1,040	-	-	1,040
U S equity securities	380	-	-	380
Total assets	<u>\$ 116,115</u>	<u>\$ 115,622</u>	<u>\$ 87,311</u>	<u>\$ 319,048</u>

The change in the balance of Level 3 financial assets measured on a recurring basis for the years ended June 30, 2011 and 2010 is as follows

	U S Fixed Income Comingled Funds	Foreign Fixed Income Comingled Funds	Foreign Equity Comingled Funds	Total
Balance at June 30, 2009	\$ 35,030	\$ -	\$ 8,616	\$ 43,646
Total net realized gains included in investment income	1,973	57	1,341	3,371
Total net unrealized gain (loss), included in unrealized gain (loss) on investments in the statement of operations	2,252	83	(3,041)	(706)
Purchases, issuances, and settlements	-	25,000	16,000	41,000
Balance at June 30, 2010	39,255	25,140	22,916	87,311
Total net realized gains included in investment income	545	1,440	1,920	3,905
Total net unrealized gain (loss), included in unrealized gain (loss) on investments in the statement of operations	(453)	766	3,580	3,893
Purchases, issuances, and settlements	1,583	611	566	2,760
Balance at June 30, 2011	<u>\$ 40,930</u>	<u>\$ 27,957</u>	<u>\$ 28,982</u>	<u>\$ 97,869</u>

Commingled and other funds are reported at fair value as reported by the fund managers based on discounted cash flows, estimated market values, and other unobservable inputs. Each of the commingled funds report fair value using a calculated net asset value per share (NAV). There are no redemption limitations or unfunded commitments at June 30, 2011.

Commingled Fund	Redemption	Redemption Notice Period	Redemption Availability
U S fixed income commingled fund	First business day of each month	3 business days	90% available on 1st business day and remaining available on 2nd business day
Foreign fixed income commingled fund	First business day of each month	15th of the month	80% available on 1st business day and remaining within 10 business days
Foreign equity commingled fund	First business day of each month	2 business days or 15th of the month	100% available on 1st business day or 80% available on 1st business day and remaining within 10 business days

Note 5 - Property and Equipment

A summary of property and equipment at June 30, 2011 and 2010 is as follows:

	2011	2010
Land	\$ 76,400	\$ 74,983
Buildings and improvements	627,333	622,709
Equipment	334,268	308,120
Construction in progress	4,107	5,560
	<u>1,042,108</u>	<u>1,011,372</u>
Less allowance for depreciation	<u>(437,314)</u>	<u>(392,574)</u>
Net property and equipment	<u>\$ 604,794</u>	<u>\$ 618,798</u>

The gross amount recorded for assets under capital leases was \$8,617 and \$7,716 at June 30, 2011 and 2010. The accumulated depreciation recorded for assets under capital leases was \$2,534 and \$1,532 at June 30, 2011 and 2010.

Construction in progress at June 30, 2011 represents pharmacy automation, Regional campus renovations, and various other projects. The estimated costs to complete these projects are \$10,084 which will be financed with Renown Health's funds.

Note 6 - Investments in Affiliated Organizations

Investments of \$19,965 and \$20,624 in various related health care ventures are being recorded on the equity method. The net gain (loss) on these investments, totaling \$1,136 in 2011 and \$(504) in 2010, is included in other income. In 2011, \$2,353 was recorded as a change in accounting principle related to these investments. Renown Health received distributions of \$78 and \$348 from these investments in 2011 and 2010.

The total assets and revenues in excess of expenses for the affiliated organizations as of and for the years ended June 30, 2011 and 2010 was as follows:

	2011	2010
Total assets	\$ 59,299	\$ 64,187
Revenues in excess of (less than) expenses	\$ 1,480	\$ (2,078)

Note 7 - Operating Leases

Renown Health leases various buildings, office space, and equipment under noncancelable long-term agreements. The leases expire at various times and have various renewal options and lease payment escalation provisions. Total lease expense for the years ended June 30, 2011 and 2010 was \$8,455 and \$7,818.

Future minimum lease payments at June 30, 2011, by year and in the aggregate, under noncancellable operating leases with initial terms of one year or more consist of the following:

Year Ending June 30,	Amount
2012	\$ 7,151
2013	6,397
2014	5,777
2015	4,558
2016	4,076
Thereafter	12,244
Total minimum lease payments	\$ 40,203

Note 8 - Long-term Debt

Long-term obligations consist of the following

	<u>2011</u>	<u>2010</u>
City of Reno, Nevada Hospital Revenue Bonds (Renown Regional Medical Center Project)		
Series 2009 A&B, interest ranging from 11% to 34% monthly, principal installments ranging from \$295 in 2012 to \$7,185 in 2039	\$ 62,730	\$ 63,005
Series 2008 A&B, interest ranging from 11% to 34% monthly, principal installments ranging from \$850 in 2012 to \$22,400 in 2041	85,250	86,050
Series 2007A, interest ranging from 5.00% to 5.25% semi-annually, principal installments ranging from \$1,715 in 2012 to \$7,430 in 2041	116,790	118,430
Plus unamortized bond premium	4,011	4,069
	<u>120,801</u>	<u>122,499</u>
Series 2006C, interest at 4.25% semi-annually, final principal installment of \$430 in 2012	430	825
Plus unamortized bond premium	2	5
	<u>432</u>	<u>830</u>
City of Reno, Nevada Hospital Revenue Bonds (Renown Health Project)		
Series 2005 A&B, interest ranging from 4.50% to 6.25% payable semi-annually, principal installments ranging from \$1,600 in 2012 to \$19,325 in 2040	92,700	94,250
Plus unamortized bond premium	1,326	1,374
	<u>94,026</u>	<u>95,624</u>
City of Reno, Nevada Hospital Revenue Bonds (Renown Regional Medical Center Project)		
Series 2004A, interest ranging from 5.25% to 5.50% payable semi-annually, principal payable in installments ranging from \$1,200 in 2012 to \$2,050 in 2028	27,000	28,150
Plus unamortized bond premium	278	305
	<u>27,278</u>	<u>28,455</u>

	2011	2010
Series 2004C (converted 2010), interest ranging from 4.00% to 5.38% payable semi-annually, principal payable in installments ranging from \$1.220 in 2012 to \$3.035 in 2039	\$ 46,290	\$ 47,450
Plus unamortized bond premium	559	578
	<u>46,849</u>	<u>48,028</u>
Series 2004C (converted 2008), interest ranging from 4.25% to 5.50% payable semi-annually, principal payable in installments ranging from \$100 in 2012 to \$5.150 in 2039	46,250	46,350
Plus unamortized bond premium	378	378
	<u>46,628</u>	<u>46,728</u>
City of Reno, Nevada Hospital Revenue Bonds (Renown Regional Medical Center)		
Series 2001A, interest ranging from 5.00% to 5.13%, payable semi-annually, principal payable in installments ranging from \$155 in 2017 to \$3.605 in 2031	33,875	33,875
Less unamortized bond discount	(426)	(447)
	<u>33,449</u>	<u>33,428</u>
Guaranteed Insured Notes, Series 1995, interest at 7.58%, payable semi-annually, principal payable in installments ranging from \$1,300 in 2012 to \$3,500 in 2025	31,700	33,000
EMR software lease, interest at 6.13%, principal and interest payable quarterly, due October 2012	1,720	2,672
Various equipment leases, interest rates from 1.5% to 11.94%, principal and interest payable monthly, due from December 2011 to September 2015	670	159
Bank loan payable at 5.8%, principal and interest payable monthly, due May 2014	655	-
Notes payable at prime interest rate at time of annual installments, principal and interest payable annually, paid off in August 2010	-	445
Bank loan payable at 2.675%, resets every 3 months, principal and interest payable monthly, due in June 2015	3,607	3,781
	<u>555,795</u>	<u>564,704</u>
Less current maturities	<u>(27,047)</u>	<u>(23,033)</u>
	<u>\$ 528,748</u>	<u>\$ 541,671</u>

In March 2010, the Renown Health Obligated Group converted a portion of Series 2004C totaling \$47,450, from a variable rate auction bond to a fixed rate bond. The conversion of the 2004C bond was treated as an extinguishment, which resulted in a loss of \$382 for the year ended June 30, 2010.

The Series 2009A&B, 2008A&B, 2007A, 2006C, 2005A, B&C, 2004A&C, and 2001A Hospital Revenue Bonds, a line of credit and a loan payable to a bank have been issued under a Master Indenture Agreement that secures the indebtedness by a pledge of the gross revenues of the Obligated Group. Under the Master Trust, Renown Health is required to comply with certain restrictive financial and other covenants. As of June 30, 2011 and 2010, Renown Health was in compliance with all debt covenants.

Under the terms of a revolving line of credit agreement with a bank, Renown Health may borrow up to \$15,000. Borrowings under this agreement, which expires in December 2012, are unsecured, bearing interest at the Prime Rate, at 75% above the LIBOR rate, or a fixed rate equal to 1.75% over the highest yielding five year Treasury obligation. As of June 30, 2011 and 2010, Renown Health had no outstanding borrowings under this agreement.

Aggregate maturities of long-term obligations, including capital leases, at June 30, 2011, excluding bond discounts and premiums, are as follows:

Year Ending June 30,	Amount
2012	\$ 26,861
2013	31,845
2014	31,531
2015	34,658
2016	9,322
Thereafter	415,450
Total	<u>\$ 549,667</u>

The Series 2008 A&B and 2009 A&B Hospital Revenue Bonds are variable rate demand bonds that are guaranteed by liquidity facilities (principally letters of credit). At June 30, 2011 and 2010, approximately \$17,050 and \$13,764 of Renown Health's variable rate demand bonds were classified as current liabilities after consideration of the repayment terms of the related liquidity facilities if draws were to occur.

Fair Value

The aggregate estimated fair market value of Renown Health's long-term obligations at June 30, 2011 and 2010 of \$556,102 and \$565,350 was established using discounted cash flow analyses based on the current market yield to maturity for similar types of publicly traded debt issues, and Renown Health's current incremental borrowing rates for all other debt instruments, and were valued without consideration of any related credit enhancement, including monoline insurance associated with Renown Health's fixed rate debt and letters of credit associated with Renown Health's variable rate demand bonds.

Note 9 - Temporarily and Permanently Restricted Net Assets

Temporarily and permanently restricted net assets are available for the following purposes at June 30, 2011 and 2010

	2011	2010
Temporarily restricted		
Children's Services	\$ 6,722	\$ 4,254
Nursing education	1,061	1,059
Other programs	1,727	1,566
	<u>9,510</u>	<u>6,879</u>
Total temporarily restricted net assets		
Permanently restricted		
Healing Garden/Arts	618	603
Other programs	750	731
	<u>1,368</u>	<u>1,334</u>
Total permanently restricted net assets		
Total temporarily and permanently restricted net assets	<u>\$ 10,878</u>	<u>\$ 8,213</u>

In 2011 and 2010, net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes in the amounts of \$845 and \$445. These amounts are included in net assets released from restrictions in the combined financial statements.

Note 10 - Retirement Plans and Postretirement Health Care Benefits

Contributory Defined Benefit Plan

Renown Health sponsors a contributory defined benefit plan (Retirement Plan). The Retirement Plan is not available to employees who did not elect to participate in the plan as of November 17, 1985. Those employees who did elect to participate in the Retirement Plan as of November 17, 1985 are required to contribute 2.5% of their annual earnings. Normal retirement benefits under this plan are based on the three highest years of compensation and the employee's years of service. Benefits are reduced for specified benefits received under the Nevada Public Employees' Retirement System. Participants in this plan are fully vested. Renown Health's total retirement benefit expense was not material.

The Retirement Plan was partially funded as of June 30, 2011 and 2010. Renown Health's measurement date for plan assets, pension obligations and net periodic pension cost associated with the retirement plan is June 30. The changes in benefit obligations and plan assets for Renown Health's Retirement Plan are as follows:

	2011	2010
Projected benefit obligation at beginning of year	\$ 13,718	\$ 12,080
Interest cost	664	738
Plan participants' contributions	2	2
Actuarial loss	570	2,057
Benefits paid	(1,178)	(1,159)
Projected benefit obligation at measurement date	<u>13,776</u>	<u>13,718</u>
Fair value of plan assets at beginning of year	8,183	7,796
Actual gain on plan assets	1,650	949
Employer contributions	787	595
Plan participants' contributions	2	2
Benefits paid	(1,178)	(1,159)
Fair value of plan assets at measurement date	<u>9,444</u>	<u>8,183</u>
Net prepaid benefit cost at end of year	<u>\$ (4,332)</u>	<u>\$ (5,535)</u>

The accumulated benefit obligation for Renown Health's retirement plan was \$13,776 and \$13,718 at June 30, 2011 and 2010. The benefits expected to be paid from Renown Health's Retirement Plan in each of the next five years, and in the aggregate for the next five years are as follows:

Year Ending June 30,	Amount
2012	\$ 1,287
2013	1,252
2014	1,224
2015	1,193
2016	1,160
2017-2021	<u>5,231</u>
Total	<u>\$ 11,347</u>

The actuarial assumptions used by Renown Health's Retirement Plan are as follows

	2011	2010
Weighted average discount rates for calculating pension expense	5.1%	6.5%
Weighted average discount rates for calculating projected benefit obligation	4.6%	5.1%
Weighted average rates of compensation increase for calculating pension expense	4.0%	4.0%
Weighted average rates of compensation increase for calculating projected benefit obligation	4.0%	4.0%
Expected long-term rates of return on plan assets for calculating pension expense	7.0%	7.0%

The components of Renown Health's Retirement Plan's net periodic benefit cost for the years ended June 30, 2011 and 2010 are as follows

	2011	2010
Interest cost	\$ 664	\$ 738
Expected return on plan assets	(551)	(516)
Recognized gains	257	157
Benefit cost	<u>\$ 370</u>	<u>\$ 379</u>

The Retirement Plan weighted average asset allocations at June 30, 2011 and 2010, by asset category are as follows

Asset Category	Target	Percentage of Plan Assets at	
	2012	June 30, 2011	2010
Interest-bearing cash	0.0%	3.0%	1.0%
Equity securities	60.0%	60.0%	58.0%
Fixed income	40.0%	37.0%	41.0%
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

Renown Health's investment strategy for the retirement plan assets is to balance the liquidity needs of the Retirement Plan with the long-term return goals necessary to satisfy future obligations. The target asset allocation seeks to reduce volatility while capturing the equity premium from the capital markets over the long-term and maintain security of principal to meet near term expenses and obligations through the fixed income allocation.

Renown Health's Retirement Plan portfolio return assumption of 7 percent is based on the weighted average return of comparative market indices for the asset classes represented in the portfolio and discounted for retirement plan expenses

A fair value hierarchy has been established with three levels that prioritize the valuation inputs into each level (see Note 2) The fair value of the Retirement Plan's assets consists of the following as of June 30, 2011 and 2010

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Balance June 30, 2011
<u>June 30, 2011</u>				
Mutual funds				
Money market	\$ 324	\$ -	\$ -	\$ 324
Index funds	7,760	-	-	7,760
International/global stock funds	1,360	-	-	1,360
Total Retirement Plan	<u>\$ 9,444</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,444</u>
<u>June 30, 2010</u>				
Mutual funds				
Money market	\$ 168	\$ -	\$ -	\$ 168
Index funds	6,961	-	-	6,961
International/global stock funds	1,054	-	-	1,054
Total Retirement Plan	<u>\$ 8,183</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,183</u>

Defined Contribution Plan

The Renown Health sponsored defined contribution 401(k) plan is Renown Health's primary retirement plan and covers substantially all employees. This plan allows employees to contribute a maximum amount of 50% of gross compensation on a pre-tax basis, subject to a limitation imposed by the Internal Revenue Service. Renown Health matches the first 3% of the employee's contribution at 100% and the next 2% of the employee's contribution at 50%. The remaining 45% of the employee's contribution is not matched by Renown Health. Participants vest in the match portion of the contribution at the rate of 25% per year after two years of service, and are fully vested after five years. The total cost of the defined contribution 401(k) plan was \$5,652 and \$4,968 for the years ended June 30, 2011 and 2010.

Effective July 1, 2011, the plan was amended to convert the matching contribution to a discretionary matching contribution. Beginning July 11, 2011, Renown Health changed the discretionary matching percentage to zero percent.

Postretirement Health Care Benefits

In addition to providing pension benefits, Renown Health provides certain health care benefits for eligible retired employees. Generally, employees hired prior to January 1, 1990, who reach normal retirement age while employed by Renown Health, who have retired after a minimum of ten years of service and who qualify for pension benefits are eligible for these benefits. Renown Health's contribution toward retiree health coverage was capped at the January 1, 1994 levels for current retirees. For employees who retire on or after January 1, 1996, the cap will be set at 50% of the plan premium as of January 1, 1994. The benefits for employees who retire after December 31, 1995 are discontinued at the time they are eligible for government-sponsored medical coverage.

The changes in benefit obligations and plan assets for Renown Health's postretirement health care benefit plan (Plan) for the years ended June 30, 2011 and 2010 are as follows:

	2011	2010
Accumulated postretirement benefit obligation at beginning of year	\$ 1,923	\$ 1,887
Service cost	18	19
Interest cost	64	108
Actuarial loss (gain)	(371)	191
Benefit payments	(213)	(282)
Accumulated postretirement benefit obligation at end of year	<u>\$ 1,421</u>	<u>\$ 1,923</u>
Net accrued postretirement benefit cost at end of year	<u>\$ 1,421</u>	<u>\$ 1,923</u>

Renown Health's measurement date for the Plan is June 30, 2011.

The components of Renown Health's net periodic postretirement benefit credit for the years ended June 30, 2011 and 2010 are as follows:

	Year Ended June 30	
	2011	2010
Service cost	\$ 18	\$ 19
Interest cost	64	108
Net amortization of prior gains	(408)	(322)
Net periodic postretirement benefit credit	<u>\$ (326)</u>	<u>\$ (195)</u>

The reconciliation of net accrued postretirement benefit cost for the years ended June 30, 2011 and 2010 is as follows

	Year Ended June 30	
	2011	2010
Net accrued postretirement benefit cost at beginning of year	\$ (1,923)	\$ (1,887)
Net periodic postretirement benefit credit	326	196
Employer contributions	213	282
Net unrealized gain reclassified to net assets	(37)	(514)
Net periodic postretirement benefit credit	<u>\$ (1,421)</u>	<u>\$ (1,923)</u>

The discount rate used by the Plan's actuaries in determining the accumulated postretirement benefit obligation was 4 percent and 4.5 percent at June 30, 2011 and 2010. The contribution rate was fixed effective January 1, 1994. Consequently, health care trend rates are not applicable for a majority of the participants in the plan. For those retirees covered under the Medicare risk program, a one-percentage-point change in assumed Medicare risk trend rates would not have a material effect on the service cost and interest cost components nor on the accumulated postretirement benefit obligation.

The benefits expected to be paid in each of the next five years, and in the aggregate for the next five years are as follows

Year Ending June 30,	Amount
2012	\$ 203
2013	194
2014	184
2015	164
2016	153
2017-2021	<u>582</u>
Total	<u>\$ 1,480</u>

Note 11 - Concentrations of Credit Risk

Renown Health grants credit without collateral to its patients, most of whom are insured under third-party payor agreements. The mix of receivables from third-party payors and patients at June 30, 2011 and 2010 was as follows:

	2011	2010
Medicare fee for service	23%	16%
Medicaid	15%	18%
PPO/HMO	17%	21%
Other	45%	45%
	<u>100%</u>	<u>100%</u>

Renown Health's cash balances are maintained in various bank deposit accounts. At times, the balance of these deposits may be in excess of federally insured limits.

Note 12 - Functional Expenses

Renown Health provides health care services to residents within its geographic location. Expenses related to providing these services by functional class for the years ended June 30, 2011 and 2010 are as follows:

	2011	2010
Patient health care services	\$ 782,302	\$ 755,053
General and administrative	92,170	106,606
	<u>\$ 874,472</u>	<u>\$ 861,659</u>

Note 13 - Income Taxes

Renown Health's taxable corporations file tax returns as required under current tax regulations. The tax provision for the years ended June 30, 2011 and 2010 was \$11 and \$12.

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and the amount used for income tax purposes. The significant components of Renown Health's deferred taxes as of June 30, 2011 and 2010 are as follows:

	2011	2010
Deferred tax assets		
Net operating loss carryover	\$ 27,935	\$ 31,327
Allowance for uncollectible accounts	3,157	3,537
Accrued vacation	1,102	764
Depreciation and amortization	3,345	4,230
Interest expense	2,819	2,770
Other	(1,880)	(2,195)
	<u>36,478</u>	<u>40,433</u>
Less valuation allowance	<u>35,968</u>	<u>39,923</u>
Net deferred tax assets	510	510
Deferred tax liabilities	<u>-</u>	<u>-</u>
Net deferred tax asset	<u><u>\$ 510</u></u>	<u><u>\$ 510</u></u>

Net operating loss carry forwards total approximately \$76,346 and will expire between June 30, 2012 and 2031.

The valuation allowance decreased \$3,955 as of June 30, 2011 and increased \$2,870 as of June 30, 2010.

Note 14 - Reinsurance Agreements

Renown Health purchases reinsurance for losses on certain inpatient hospital, physician and pharmacy claims from a reinsurance company. Under the terms of this agreement, the reinsurance company will reimburse Renown Health up to a maximum amount in excess of a \$300 deductible for fully-insured commercial and Medicare members, as accumulated on an incurred basis (as defined in the reinsurance agreement) subject to certain limits and coinsurance payments.

Note 15 - Interest Rate Swaps

As of June 30, 2011, Renown Health has five swap agreements, as follows:

	Notional Amount			Interest
	Original	2011	2010	Paid
Series 2004C	\$ 15,325	\$ 11,288	\$ 11,975	3.697%
Series 2004C	44,000	43,213	43,313	3.897%
Series 2009	15,325	11,288	11,975	3.697%
Series 2009	44,000	43,213	43,313	3.897%
Series 2008	80,000	78,614	79,341	3.788%

For each of these swaps Renown Health receives a floating rate of 60% of 1-month LIBOR, plus 36 basis points, in return for the fixed rates outlined above. The swaps expire between 2031 and 2041.

The objective of the swaps for Renown Health is to offset the variability of the overall cash flows on a portion of its variable rate debt (and their subsequent refinancing) attributable to changes in market interest rates. Changes in the monthly cash flow receipts by Renown Health on the interest rate swap are expected to be highly effective at offsetting the changes in overall cash flows or interest rate payments attributable to fluctuations in Renown Health's hedged variable rate bonds.

Renown Health utilizes the "hypothetical derivative" method to measure the ineffectiveness of the hedge quarterly. Accordingly, the calculation of ineffectiveness will be equal to the excess of (i) the cumulative change in the fair value of the swap over (ii) the cumulative change in the fair value of the hypothetical derivative. Regression analysis is used to assess the hedge effectiveness. The regression analysis measures both the correlation and the "optimal hedging ratio" between the interest costs of the variable rate bonds and the floating rate swap receipt of 60% of 1-month LIBOR plus 36 basis points.

Series 2004C - Renown Health executed the Series 2004C swap contracts in June 2004, designated them to the Series 2004C Bonds and achieved hedge treatment. In September 2009, Renown Health determined the two Series 2004C Swaps no longer qualified for hedge treatment. Prospectively, all changes in fair value of the Series 2004C Swaps are included in the performance indicator. In March 2010, Renown Health converted the Series 2004C Bonds from auction rate mode to fixed rate mode. Included in the gain (loss) on interest rate swaps in the combined statements of operations for the fiscal year ending June 30, 2010 is \$5.617 that represents the effective portion of the swaps that had previously been recorded to unrestricted net assets and were reclassified to loss on interest rate swaps in the combined statement of operations as a result of the conversion. At June 30, 2011 the Series 2004C swaps have not maintained hedge treatment.

Series 2009 (was Series 2004B) - Renown Health executed the Series 2009 swap contracts in June 2004, designated them to the Series 2004B Bonds and achieved hedge treatment. In January 2009, the Series 2004B Bonds were extinguished and refunded with the Series 2009 A&B bonds. The 2004B Swap with an original notional amount of \$15.325 was re-designated from the 2004B Series to the 2009 Series and qualified for hedge treatment at the date of refunding. The 2004B Swap with an original notional amount of \$44,000 qualified for hedge treatment in October 2010. At June 30, 2011 the Series 2009 swap contracts have maintained hedge treatment.

Series 2008 (was Series 2006) - Renown Health executed the Series 2008 swap contract in April 2006, designated it to the Series 2006 Bonds and achieved hedge treatment. In June 2008, the Series 2006 Bonds were extinguished and refunded with the Series 2008 Bonds, which resulted in Renown Health no longer maintaining hedge treatment for the Series 2006 Swap. In August 2008, Renown Health re-designated the Series 2006 Swap to the Series 2008 Bonds and achieved hedge accounting. At June 30, 2011, the Series 2008 Swap has maintained hedge treatment.

The effective portion of the change in fair value of the swaps is included as a component of net assets below the performance indicator. The cumulative effective portion included in net assets was a net unrealized loss of \$20,579 and \$26,426 at June 30, 2011 and 2010. The ineffective portion and the amount of change in fair value not attributable to hedging instruments is included above the performance indicator in non-operating income and expense, and was a loss of \$1,425 and a gain of \$11,108 for the years ended June 30, 2011 and 2010. The fair market value of the swaps is determined using the zero coupon method (Level 2 inputs), and each of the swaps were a liability totaling \$31,042 and \$38,314 at June 30, 2011 and 2010, and were included in noncurrent liabilities. The fair market value of the swaps with hedge treatment was \$21,805 and \$17,168 and without hedge treatment was \$9,237 and \$21,146 at June 30, 2011 and 2010.

Note 16 - Commitments and Contingencies

Self-Insurance Plans

Renown Health is self-insured for health insurance, workers' compensation, vision, and dental care. The claims under these plans continue to be accrued as the incidents that give rise to them occur. Unpaid claim accruals are based on the estimated ultimate cost of the claims, including claim administration expenses, in accordance with Renown Health's past experience. Renown Health has entered into a reinsurance agreement with insurance companies to limit its losses on claims for health insurance and workers' compensation. Reserves for self-insured plans were \$3,125 and \$3,053 as of June 30, 2011 and 2010 and are included in accrued salaries, wages, and benefits in the combined balance sheets.

Professional Liability Insurance

Renown Health is self-insured for professional liability claims up to \$2,000 per occurrence and maintains professional liability insurance coverage on a claims-made basis for all claims in excess of \$2,000 per occurrence. Reserves for reported professional liability claims and incurred but not reported claims are based on actuarial studies. Management is aware of no potential professional liability claims whose settlement, if any, would be in excess of amounts provided for or would otherwise have a material adverse effect on Renown Health's combined financial position. Reserves for reported and incurred but not reported claims, which are discounted using a rate of 4.0 percent and 5.5 percent were \$6,537 and \$5,381 as of June 30, 2011 and 2010 and are included in other noncurrent liabilities in the combined balance sheets.

Litigation, Claims, and Disputes

Renown Health is subject to the usual contingencies in the normal course of operations relating to the performance of its task under its various services it offers. In the opinion of management and after consultation with legal counsel, the ultimate settlement of litigation, claims, and disputes in process will not be material to the combined financial position of Renown Health. However, there can be no guarantee that such will be the case.

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. 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 Renown Health is in substantial compliance with current laws and regulations.

Guarantee

During 2008, Renown Health had a 50 percent equity interest in a joint venture and a guarantee of its share of the entity's debt. A payment would be triggered by failure of the guaranteed party to fulfill its obligations covered by the guarantee. As of June 30, 2011 and 2010, Renown Health's share of the guarantee, \$3,355 and \$3,441, is included in other noncurrent liabilities in the accompanying combined balance sheets. The fair value of the guarantee as of June 30, 2011 and 2010 was \$3,121 and \$3,206. The term of the guarantee is through April 1, 2033.

Collective Bargaining Agreement

Some of Renown Health's labor force is represented by a collective bargaining agreement. The most recent labor agreement expires on September 13, 2013.

Note 17 - Acquisitions

On January 1, 2011 and March 17, 2011, Renown Health completed the acquisition of two cardiology practices located in Reno, Nevada. The transactions were accounted for as a purchase business combination.

The total purchase price of \$6,293 was allocated to the net tangible and intangible assets based upon their estimated fair values and the acquisition date. The excess of the purchase price over the estimated fair value of the net tangible and intangible assets of \$2,064 has been recorded as goodwill in the amount of \$1,085 and intangible assets in the amount of \$979, which is being amortized on a straight-line basis over five years. Goodwill is the result of expected synergies from combining the operations of the practices and Renown Health. The allocation of the purchase price has been determined by Renown Health based on available information and appraisals of tangible and intangible assets. The preliminary allocation of the purchase price for one acquisition is subject to settling amounts related to purchase working capital, which is not expected to be material.

The fair values of the assets acquired and liabilities assumed were as follows:

	Amounts
Property and equipment	\$ 2,946
Goodwill and intangible assets	2,064
Other current assets	5,442
Notes payable	(2,060)
Other current liabilities	(2,099)
	<u>\$ 6,293</u>

Note 18 - Changes in Accounting Principles

In accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 850, *Intangibles – Goodwill and Other*, Renown Health discontinued the amortization of goodwill in 2011. The provisions of ASC 850 require goodwill to be tested for impairment on a periodic basis. As a result of the transitional goodwill impairment test, management determined that goodwill in the amount of \$3.910 was impaired. In accordance with the transitional guidance, Renown Health recorded the impairment as a reduction of unrestricted net assets.

In accordance with Accounting Standards Update (ASU) No. 2010-07, *Not for Profit Entities (Topic 958) – Mergers and Acquisitions*, Renown Health changed its method of accounting for noncontrolling interests in combined subsidiaries. In accordance with the implementation guidance, Renown Health retroactively applied the presentation requirements to 2010. The impact on 2010 was an increase in revenues in excess of expenses of \$1.758 on the combined statements of operations, an increase in the change in unrestricted net assets of \$2.294 on the combined statements of changes in net assets, and an increase in unrestricted net assets of \$5.462 on the combined balance sheets.

Note 19 - New Accounting Pronouncements

ASU 2011-07

In July 2011, the FASB issued ASU No. 2011-07, *Health Care Entities (Topic 954) Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts in Certain Health Care Entities*. The provisions in ASU 2011-07 require certain health care entities to change the presentation in their statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts). In addition, ASU 2011-07 requires that the provision for bad debts be presented as a separate line on the face of the financial statements and requires enhanced disclosures about an organization's policies for recognizing revenue and assessing bad debts. ASU 2011-07 requires disclosures of patient service revenue, net of contractual allowances and discounts, as well as qualitative and quantitative information about changes in the allowance for doubtful accounts. Management is currently evaluating the potential impact of this guidance, which will be effective beginning July 1, 2011, but does not expect it to have a material impact on its combined financial condition, results of operations, or cash flows.

ASU 2010-23

In August 2010, the FASB issued ASU No. 2010-23, *Health Care Entities (Topic 954) Measuring Charity Care for Disclosure*. The guidance in ASU 2010-23 requires that cost be used as the measurement basis for charity care disclosure purposes. The guidance is intended to reduce diversity in practice regarding the measurement basis used in the disclosure of charity care as some entities use cost while others use charges foregone. The guidance states that direct and indirect costs for providing charity care be disclosed and it further requires that the methods used to identify or determine costs should also be disclosed. Management is currently evaluating the potential impact of this guidance, which was effective beginning July 1, 2011. As the guidance impacts financial statement disclosures, management does not expect it to have a material impact on its combined financial condition, results of operations, or cash flows.

ASU 2010-24

In August 2010, the FASB issued ASU 2010-24, *Health Care Entities (Topic 954) Presentation of Insurance Claims and Related Insurance Recoveries*. The guidance in ASU 2010-24 requires that liabilities and receivables related to medical malpractice claims be reported at gross amounts on the balance sheet. The guidance is intended to reverse diversity in practice regarding for accounting for insurance claims and recoveries as some entities have netted the liabilities and receivables while others have reported them at gross. Management is currently evaluating the impact of this guidance, which was effective July 1, 2011. Management does not expect it to have a material impact on its combined financial condition of Renown Health.

Note 20 - Subsequent Events

Renown Health has evaluated subsequent events through August 30, 2011, the date which the combined financial statement were available to be issued. During this period, Renown Health did not have any material recognizable subsequent events.

Supplementary Information
June 30, 2011 and 2010
Renown Health

Independent Auditor's Report on Combining and Supplementary Information

The Board of Directors
Renown Health
Reno, Nevada

We have audited the combined financial statements of Renown Health as of and for the year ended June 30, 2011, and our report thereon dated August 30, 2011, which expressed an unqualified opinion on those combined financial statements appears on page 1. Our audit was performed for the purpose of forming an opinion on the basic combined financial statements taken as a whole. The combining schedules as of and for the year ended June 30, 2011 on pages 41 to 44 and the obligated group schedules as of and for the year ended June 30, 2011 on pages 49 to 51 are presented for the purposes of additional analysis and are not a required part of the basic combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic combined financial statements or to the basic combined financial statements themselves, and other records used to additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic combined financial statements as a whole. The statistical and other information on pages 52 to 54, which are the responsibility of management, have not been subjected to the auditing procedures applied in the audit of the basic combined financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

The combined financial statements and other combining and obligated group information for the year ended June 30, 2010 were audited by other auditors whose reports dated August 31, 2010, expressed an unqualified opinion on those combined statements.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Fargo, North Dakota
August 30, 2011

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(In Thousands)	Combined	Adjustments and Eliminations	Renown Health	Nevada Healthcare Cooperative	Renown Regional Medical Center	Clinic Trials and Special Purpose Funds	Nevada Heart Institute Clinic
Assets							
Current Assets							
Cash and cash equivalents	\$ 115.915	\$ -	\$ 6.885	\$ 533	\$ 64.428	\$ -	\$ -
Marketable securities	321.199	-	-	-	-	-	-
Receivables							
Patient, net	113.938	(1.604)	-	-	86.248	-	-
Other	12.749	(3.792)	620	266	418	213	-
Inventories	18.428	-	33	-	13.482	-	-
Funds held in trust, current	4.818	-	-	-	4.724	-	-
Prepaid expenses and other	4.718	-	1.722	-	1.571	-	-
Due from affiliated organizations	-	(1.217)	21	-	-	-	-
Total current assets	591.765	(6.613)	9.281	799	170.871	213	-
Funds Held in Trust, net							
For debt service	10.615	-	-	-	10.615	-	-
For capital projects	14.245	-	-	-	14.245	-	-
Total funds held in trust, net	24.860	-	-	-	24.860	-	-
Property and Equipment, Net	604.794	-	60.972	-	407.732	-	1.258
Other Assets							
Unamortized financing costs, net	18.364	-	-	-	15.436	-	-
Goodwill	8.455	-	-	-	-	-	-
Investments in affiliated companies	19.965	(120.368)	130.112	-	1.374	-	-
Due from affiliated organizations	-	(127.421)	9.441	-	39.367	513	1.796
Other	13.668	(6.909)	10.007	-	10	-	-
Total other assets	60.452	(254.698)	149.560	-	56.187	513	1.796
Total assets	\$ 1,281.871	\$ (261.311)	\$ 219.813	\$ 799	\$ 659.650	\$ 726	\$ 3,054

Renown Health
Combining Balance Sheet – Assets
June 30, 2011

Renown Skilled Nursing	Renown South Meadows	Renown Rehab Hospital	Renown Businesses	Renown Institute for Heart and Vascular Health	Hometown Health Plan, Inc	Hometown Health Management Company	Renown Network Services	Renown Health Foundation	Roult Dialysis
\$ 36	\$ 7	\$ 1	\$ 1,733	\$ 3,215	\$ 11,625	\$ 12,207	\$ 11,697	\$ 2,176	\$ 1,372
-	-	-	134	-	22,751	13,527	275,028	9,759	-
974	9,936	3,215	-	2,722	-	6,212	2,402	-	3,833
-	176	-	3,018	323	6,272	1,626	1,436	1,695	478
36	2,135	104	2,395	-	-	76	62	-	105
-	65	29	-	-	-	-	-	-	-
24	230	16	53	322	-	554	226	-	-
-	-	-	-	-	-	1,196	-	-	-
1,070	12,549	3,365	7,333	6,582	40,648	35,398	290,851	13,630	5,788
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
965	52,892	11,089	36,038	1,695	6,238	10,690	10,492	-	4,733
-	1,480	737	711	-	-	-	-	-	-
-	-	6,662	-	1,085	-	-	-	-	708
-	153	-	7,167	1,527	-	-	-	-	-
-	40,447	14,648	-	-	-	-	21,209	-	-
-	-	-	6,931	1,074	725	1,267	24	530	9
-	42,080	22,047	14,809	3,686	725	1,267	21,233	530	717
\$ 2,035	\$ 107,521	\$ 36,501	\$ 58,180	\$ 11,963	\$ 47,611	\$ 47,355	\$ 322,576	\$ 14,160	\$ 11,238

(In Thousands)	Combined	Adjustments and Eliminations	Renown Health	Nevada Healthcare Cooperative	Renown Regional Medical Center	Clinic Trials and Special Purpose Funds	Nevada Heart Institute Clinic
Liabilities and Net Assets							
Current Liabilities							
Current maturities of long-term debt	\$ 27,047	\$ (295)	\$ 1,691	\$ -	\$ 23,229	\$ -	\$ -
Accounts payable							
Trade	29,205	(937)	4,675	-	16,462	-	-
Estimated third-party payor settlements and other	27,552	(159)	375	-	2,812	-	-
Accrued salaries, wages and benefits	43,754	(4,005)	16,346	10	20,513	97	-
Due to affiliated organizations	-	(1,196)	-	-	-	-	-
Total current liabilities	127,558	(6,592)	23,087	10	63,016	97	-
Other	57,520	(728)	21,627	1	32,983	-	-
Long-term debt, less current maturities	528,748	(6,909)	10,896	-	438,980	-	-
Due to affiliated organizations	-	(127,440)	39,367	72	-	29	-
Total liabilities	713,826	(141,669)	94,977	83	534,979	126	-
Net Assets (Deficit)							
Unrestricted	552,730	(124,079)	124,836	716	124,671	600	3,054
Noncontrolling interest in combined subsidiary	4,437	4,437	-	-	-	-	-
Total unrestricted	557,167	(119,642)	124,836	716	124,671	600	3,054
Temporarily and permanently restricted	10,878	-	-	-	-	-	-
Total net assets	568,045	(119,642)	124,836	716	124,671	600	3,054
Total liabilities and net assets	\$ 1,281,871	\$ (261,311)	\$ 219,813	\$ 799	\$ 659,650	\$ 726	\$ 3,054

Renown Health
Combining Balance Sheet – Liabilities and Net Assets
June 30, 2011

Renown Skilled Nursing	Renown South Meadows	Renown Rehab Hospital	Renown Businesses	Renown Institute for Heart and Vascular Health	Hometown Health Plan, Inc	Hometown Health Management Company	Renown Network Services	Renown Health Foundation	Roult Dialysis
\$ -	\$ 455	\$ 177	\$ 1,300	\$ 426	\$ -	\$ 64	\$ -	\$ -	\$ -
266	1,672	140	2,162	259	1,712	1,980	408	14	392
25	87	18	251	-	15,740	7,437	-	-	966
305	919	512	94	1,035	2,579	4,646	318	-	385
-	-	-	-	-	1,196	-	-	-	-
596	3,133	847	3,807	1,720	21,227	14,127	726	14	1,743
(1)	1	-	2,658	-	725	1	2	-	251
-	37,970	16,859	30,400	546	-	6	-	-	-
11,333	-	-	8,638	10,839	-	57,141	-	21	-
11,928	41,104	17,706	45,503	13,105	21,952	71,275	728	35	1,994
(9,893)	66,417	18,795	12,677	(1,142)	25,659	(23,920)	321,848	3,247	9,244
-	-	-	-	-	-	-	-	-	-
(9,893)	66,417	18,795	12,677	(1,142)	25,659	(23,920)	321,848	3,247	9,244
-	-	-	-	-	-	-	-	10,878	-
(9,893)	66,417	18,795	12,677	(1,142)	25,659	(23,920)	321,848	14,125	9,244
\$ 2,035	\$ 107,521	\$ 36,501	\$ 58,180	\$ 11,963	\$ 47,611	\$ 47,355	\$ 322,576	\$ 14,160	\$ 11,238

(In Thousands)	Combined	Adjustments and Eliminations	Renown Health	Nevada Healthcare Cooperative	Renown Regional Medical Center	Clinic Trials and Special Purpose Funds	Nevada Heart Institute Clinic
Unrestricted Revenues, Gains and Other Support							
Net patient service revenues	\$ 649,340	\$ (77,736)	\$ -	\$ -	\$ 539,178	\$ -	\$ -
Premium revenues	212,547	-	-	-	-	-	-
Other revenues	25,804	(161,313)	70,251	836	13,068	586	5,004
Total unrestricted revenues, gains and other support	887,691	(239,049)	70,251	836	552,246	586	5,004
Expenses							
Salaries and wages	281,623	-	31,969	202	143,242	399	-
Employee benefits	40,679	(16,537)	1,850	47	32,558	92	-
Provision for bad debts	119,452	-	-	-	97,848	-	-
Supplies	118,049	(1,183)	431	1	94,308	1	-
Professional fees	20,585	(35,314)	-	-	22,992	4	-
Health care expenses	118,938	(65,362)	-	-	-	-	-
Purchased services	50,509	(88,565)	15,380	-	76,466	20	1,827
Repairs and maintenance	3,334	-	229	-	1,673	-	-
Utilities and telephone	9,104	(1,100)	1,091	-	6,026	-	-
Insurance	6,570	(3,882)	3,966	-	4,141	-	-
Provision for depreciation amortization	45,960	(7,915)	7,862	-	33,926	-	122
Interest	29,875	(567)	628	-	24,206	-	-
Rental and lease	8,455	(3,595)	832	23	1,898	-	-
Other	21,339	(13,809)	7,161	4	14,064	34	1
Total expenses	874,472	(237,829)	71,399	277	553,348	550	1,950
Operating Income (Loss)	13,219	(1,220)	(1,148)	559	(1,102)	36	3,054
Other Income (Loss)							
Investment income	10,516	(567)	416	-	(1,681)	-	-
Unrealized gain (loss) on investments	3,742	-	-	-	-	-	-
Gain on interest rate swaps	1,425	-	-	-	1,425	-	-
Provision for income tax	11	-	-	-	-	-	-
Other income (loss), net	15,694	(567)	416	-	(256)	-	-
Revenues in Excess of (Less Than) Expenses	28,913	(1,787)	(732)	559	(1,358)	36	3,054

Renown Health
Combining Statements of Operations and Changes in Net Assets
Year Ended June 30, 2011

Renown Skilled Nursing	Renown South Meadows	Renown Rehab Hospital	Renown Businesses	Renown Institute for Heart and Vascular Health	Hometown Health Plan. Inc	Hometown Health Management Company	Renown Network Services	Renown Health Foundation	Roult Dialysis
\$ 8,795	\$ 73,539	\$ 24,232	\$ 2,150	\$ 6,172	\$ -	\$ 36,933	\$ 15,547	\$ -	\$ 20,530
-	-	-	-	-	162,840	49,707	-	-	-
2,781	2,938	56	10,740	5,669	32,725	23,305	19,071	87	-
11,576	76,477	24,288	12,890	11,841	195,565	109,945	34,618	87	20,530
7,486	19,109	10,197	2,876	8,643	28,474	16,361	7,058	-	5,607
1,533	4,336	2,214	660	1,481	4,107	3,753	1,623	-	2,962
126	13,075	714	176	-	-	3,980	2,404	-	1,129
1,388	13,501	1,585	1,261	231	-	1,848	996	-	3,681
60	1,306	868	456	-	-	26,380	3,338	-	495
-	-	-	-	-	144,570	39,730	-	-	-
746	8,756	2,161	1,100	1,092	12,113	11,689	5,929	-	1,795
97	384	147	303	22	-	49	49	-	381
182	942	211	837	90	-	308	151	-	366
76	517	121	44	151	-	995	334	-	107
215	4,318	670	2,112	356	142	1,537	1,677	-	938
-	1,972	874	2,712	36	-	14	-	-	-
1,007	897	310	655	517	-	3,027	1,859	-	1,025
1,046	1,235	279	2,154	363	2,888	4,675	332	39	873
13,962	70,348	20,351	15,346	12,982	192,294	114,346	25,750	39	19,359
(2,386)	6,129	3,937	(2,456)	(1,141)	3,271	(4,401)	8,868	48	1,171
-	-	-	569	-	548	507	10,599	125	-
-	-	-	-	-	121	(65)	3,686	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	11	-	-	-	-	-	-
-	-	-	580	-	669	442	14,285	125	-
(2,386)	6,129	3,937	(1,876)	(1,141)	3,940	(3,959)	23,153	173	1,171

(In Thousands)	Combined	Adjustments and Eliminations	Renown Health	Nevada Healthcare Cooperative	Renown Regional Medical Center	Clinic Trials and Special Purpose Funds	Nevada Heart Institute Clinic
Revenues in Excess of (Less Than)							
Expenses	\$ 28.913	\$ (1.787)	\$ (732)	\$ 559	\$ (1.358)	\$ 36	\$ 3.054
Changes in unrealized gains and losses on investments	16.523	-	-	-	(126)	-	-
Changes in unrealized gains and losses on interest rate swaps	5.847	-	-	-	5.847	-	-
Change in accounting principle	(3.910)	-	(2.353)	-	-	-	-
Other changes	(889)	1.719	748	(40)	-	(12)	-
Contributions for property acquisitions	845	-	-	-	845	-	-
Increase (Decrease) in Unrestricted Net Assets	47.329	(68)	(2.337)	519	5.208	24	3.054
Temporarily and Permanently Restricted Contributions and related investment income	3.510	-	-	-	-	-	-
Net assets released from restrictions	(845)	-	-	-	-	-	-
Increase in Temporarily and Permanently Restricted Net Assets	2.665	-	-	-	-	-	-
Increase (Decrease) in Net Assets	49.994	(68)	(2.337)	519	5.208	24	3.054
Net Assets (Deficit), Beginning of Year	518.051	(119.574)	127.173	197	119.463	576	-
Net Assets (Deficit), End of Year	\$ 568.045	\$ (119.642)	\$ 124.836	\$ 716	\$ 124.671	\$ 600	\$ 3.054

Renown Health
Combining Statements of Operations and Changes in Net Assets – Continued
Year Ended June 30, 2011

Renown Skilled Nursing	Renown South Meadows	Renown Rehab Hospital	Renown Businesses	Renown Institute for Heart and Vascular Health	Hometown Health Plan, Inc	Hometown Health Management Company	Renown Network Services	Renown Health Foundation	Rouff Dialysis
\$ (2,386)	\$ 6,129	\$ 3,937	\$ (1,876)	\$ (1,142)	\$ 3,940	\$ (3,958)	\$ 23,153	\$ 173	\$ 1,171
-	-	-	16	-	-	-	15,364	1,269	-
-	-	-	-	-	-	-	-	-	-
-	-	-	(272)	-	-	(1,110)	(175)	-	-
-	-	1	-	-	-	-	-	-	(3,305)
-	-	-	-	-	-	-	-	-	-
(2,386)	6,129	3,938	(2,132)	(1,142)	3,940	(5,068)	38,342	1,442	(2,134)
-	-	-	-	-	-	-	-	3,510	-
-	-	-	-	-	-	-	-	(845)	-
-	-	-	-	-	-	-	-	2,665	-
(2,386)	6,129	3,938	(2,132)	(1,142)	3,940	(5,068)	38,342	4,107	(2,134)
(7,507)	60,288	14,857	14,809	-	21,719	(18,852)	283,506	10,018	11,378
\$ (9,893)	\$ 66,417	\$ 18,795	\$ 12,677	\$ (1,142)	\$ 25,659	\$ (23,920)	\$ 321,848	\$ 14,125	\$ 9,244

(In Thousands)	Combined	Adjustments and Eliminations	Renown Health	Nevada Healthcare Cooperative	Renown Regional Medical Center	Clinic Trials and Special Purpose Funds
Assets						
Current Assets						
Cash and cash equivalents	\$ 91.666	\$ -	\$ (97)	\$ 193	\$ 62,485	\$ -
Marketable securities	288.710	-	-	-	-	-
Receivables						
Patient, net	112.851	(1.079)	-	-	86.138	-
Other	16.877	(2.122)	252	328	245	-
Inventory	18.516	-	40	-	13,379	-
Funds held in trust, current	5.023	-	-	-	4.884	-
Prepaid expenses and other	4.832	-	1,361	-	2,056	-
Due from affiliated organizations	-	(1,340)	125	-	-	-
Total current assets	538.475	(4,541)	1,681	521	169,187	-
Funds Held in Trust, net						
For debt service	11,070	-	-	-	25,315	-
For capital projects	14,245	-	-	-	-	-
Total funds held in trust, net	25,315	-	-	-	25,315	-
Property and Equipment, Net	618,798	-	60,122	-	421,090	-
Other Assets						
Unamortized financing costs, net	18,688	-	-	-	15,761	-
Goodwill	8,927	-	-	-	-	-
Investments in affiliated companies	20,624	(120,300)	133,628	-	-	-
Due from affiliated organizations	-	(99,265)	10,454	-	32,275	601
Other	12,272	(7,205)	8,766	-	10	-
Total other assets	60,511	(226,770)	152,848	-	48,046	601
Total assets	\$ 1,243,099	\$ (231,311)	\$ 214,651	\$ 521	\$ 663,638	\$ 601

Renown Health
Combining Balance Sheet – Assets
June 30, 2010

Renown Skilled Nursing	Renown South Meadows	Renown Rehab Hospital	Renown Businesses	Hometown Health Plan, Inc	Hometown Health Management Company	Renown Network Services	Renown Health Foundation	Rouff Dialysis
\$ 62	\$ 27	\$ 1	\$ 1,251	\$ 4,741	\$ 8,757	\$ 12,269	\$ 1,133	\$ 844
-	-	-	118	22,665	13,410	244,434	8,083	-
1,015	8,155	3,617	189	-	5,070	3,463	-	6,283
-	46	-	4,108	11,063	1,047	1,611	299	-
28	2,051	102	2,689	-	76	71	-	80
-	96	43	-	-	-	-	-	-
108	163	45	55	-	476	335	-	233
-	-	-	-	903	312	-	-	-
1,213	10,538	3,808	8,410	39,372	29,148	262,183	9,515	7,440
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
978	54,583	11,404	37,193	6,295	11,338	11,396	-	4,399
-	1,444	721	762	-	-	-	-	-
-	-	6,662	272	-	1,110	175	-	708
-	-	-	7,296	-	-	-	-	-
-	35,190	10,179	-	-	-	10,566	-	-
-	-	-	8,038	725	1,260	22	650	6
-	36,634	17,562	16,368	725	2,370	10,763	650	714
\$ 2,191	\$ 101,755	\$ 32,774	\$ 61,971	\$ 46,392	\$ 42,856	\$ 284,342	\$ 10,165	\$ 12,553

(In Thousands)	Combined	Adjustments and Eliminations	Renown Health	Nevada Healthcare Cooperative	Renown Regional Medical Center	Clinic Trials and Special Purpose Funds
Liabilities and Net Assets						
Current Liabilities						
Current maturities of long-term debt	\$ 23.033	\$ (295)	\$ 1,592	\$ -	\$ 19,445	\$ -
Accounts payable						
Trade	29,928	(160)	3,142	-	14,359	2
Estimated third-party payor settlements and other	27,111	(70)	378	-	3,429	-
Accrued salaries, wages and benefits	40,997	(2,677)	17,290	8	19,241	-
Due to affiliated organizations	-	(1,215)	-	-	-	-
Total current liabilities	121,069	(4,417)	22,402	8	56,474	2
Other	62,308	(725)	20,282	-	38,312	-
Long-term debt, less current maturities	541,671	(7,205)	12,519	-	449,389	-
Due to affiliated organizations	-	(99,390)	32,275	316	-	23
Total liabilities	725,048	(111,737)	87,478	324	544,175	25
Net Assets (Deficit)						
Unrestricted	504,376	(125,036)	127,173	197	119,463	576
Noncontrolling interest in combined subsidiary	5,462	5,462	-	-	-	-
Total unrestricted	509,838	(119,574)	127,173	197	119,463	576
Temporarily and permanently restricted	8,213	-	-	-	-	-
Total net assets	518,051	(119,574)	127,173	197	119,463	576
Total liabilities and net assets	\$ 1,243,099	\$ (231,311)	\$ 214,651	\$ 521	\$ 663,638	\$ 601

Renown Health
Combining Balance Sheet – Liabilities and Net Assets
June 30, 2010

Renown Skilled Nursing	Renown South Meadows	Renown Rehab Hospital	Renown Businesses	Hometown Health Plan, Inc	Hometown Health Management Company	Renown Network Services	Renown Health Foundation	Routt Dialysis
\$ -	\$ 378	\$ 168	\$ 1,745	\$ -	\$ -	\$ -	\$ -	\$ -
313	1,924	195	1,939	5,350	1,769	493	22	580
37	93	18	291	16,138	6,797	-	-	-
326	840	500	104	1,598	3,093	343	-	331
-	-	-	-	312	903	-	-	-
676	3,235	881	4,079	23,398	12,562	836	22	911
-	-	-	2,713	1,275	187	-	-	264
-	38,232	17,036	31,700	-	-	-	-	-
9,022	-	-	8,670	-	48,959	-	125	-
9,698	41,467	17,917	47,162	24,673	61,708	836	147	1,175
(7,507)	60,288	14,857	14,809	21,719	(18,852)	283,506	1,805	11,378
-	-	-	-	-	-	-	-	-
(7,507)	60,288	14,857	14,809	21,719	(18,852)	283,506	1,805	11,378
-	-	-	-	-	-	-	8,213	-
(7,507)	60,288	14,857	14,809	21,719	(18,852)	283,506	10,018	11,378
\$ 2,191	\$ 101,755	\$ 32,774	\$ 61,971	\$ 46,392	\$ 42,856	\$ 284,342	\$ 10,165	\$ 12,553

(In Thousands)	Combined	Adjustments and Eliminations	Renown Health	Nevada Healthcare Cooperative	Renown Regional Medical Center	Clinic Trials and Special Purpose Funds
Unrestricted Revenues, Gains and Other Support						
Net patient service revenues	\$ 622.709	\$ (79.538)	\$ -	\$ -	\$ 529.707	\$ -
Premium revenues	220.765	-	-	-	-	-
Other revenues	20.743	(141.544)	66.762	649	10.770	74
Total unrestricted revenues, gains and other support	864.217	(221.082)	66.762	649	540.477	74
Expenses						
Salaries and wages	257.284	-	27.875	184	142.198	-
Employee benefits	38.896	(16.999)	8.995	39	28.221	-
Provision for bad debts	127.638	-	-	-	108.205	-
Supplies	116.818	(880)	359	1	93.924	3
Professional fees	22.781	(25.501)	-	-	21.579	5
Health care expenses	127.190	(64.743)	-	-	-	-
Purchased services	46.995	(84.007)	14.498	-	72.768	37
Repairs and maintenance	3.426	-	257	-	1.424	-
Utilities and telephone	10.090	(1.079)	1.079	-	6.940	-
Insurance	6.754	(4.809)	4.227	-	4.892	-
Provision for depreciation amortization	47.159	(7.511)	7.511	1	34.344	-
Interest	29.662	(587)	634	-	24.039	-
Rental and lease	7.818	(3.302)	886	23	1.908	-
Other	20.904	(10.753)	6.076	2	12.697	38
Total expenses	863.415	(220.171)	72.397	250	553.139	83
Operating Income (Loss)	802	(911)	(5.635)	399	(12.662)	(9)
Other Income (Loss)						
Investment income	13.272	(587)	417	-	(259)	-
Unrealized loss on investment	(358)	-	-	-	-	-
Loss on extinguishment of debt	(382)	-	-	-	(246)	-
Loss on interest rate swaps	(11.108)	-	-	-	(11.108)	-
Provision for income tax	12	-	-	12	-	-
Other income (loss), net	1.436	(587)	417	12	(11.613)	-
Revenues in Excess of (Less Than)						
Expenses	2.238	(1.498)	(5.218)	411	(24.275)	(9)

Renown Health
Combining Statements of Operations and Changes in Net Assets
Year Ended June 30, 2010

Renown Skilled Nursing	Renown South Meadows	Renown Rehab Hospital	Renown Businesses	Hometown Health Plan. Inc	Hometown Health Management Company	Renown Network Services	Renown Health Foundation	Rouff Dialysis
\$ 10,107	\$ 67,782	\$ 21,312	\$ 2,990	\$ -	\$ 30,607	\$ 16,464	\$ -	\$ 23,278
-	-	-	-	169,685	51,080	-	-	-
2,788	2,848	1,790	11,190	23,983	20,094	21,278	61	-
12,895	70,630	23,102	14,180	193,668	101,781	37,742	61	23,278
7,382	17,890	10,472	2,227	20,839	14,921	7,600	-	5,696
1,497	3,700	2,106	468	2,986	3,117	1,596	-	3,170
106	11,508	469	2,464	-	3,305	1,581	-	-
1,464	12,636	1,405	807	-	1,669	1,133	-	4,297
59	1,241	529	2,290	-	19,173	2,927	-	479
-	-	-	-	148,855	43,078	-	-	-
810	8,327	1,993	1,420	11,714	11,350	6,125	-	1,960
230	402	127	533	-	71	44	-	338
215	1,023	156	903	-	308	188	-	357
94	657	133	91	-	1,060	300	-	109
200	4,269	1,156	2,160	124	1,956	2,034	-	915
-	1,939	863	2,743	13	(1)	-	-	19
1,083	616	389	438	-	2,972	1,835	-	970
1,166	1,084	216	958	4,015	4,284	341	42	738
14,306	65,292	20,014	17,502	188,546	107,263	25,704	42	19,048
(1,411)	5,338	3,088	(3,322)	5,122	(5,482)	12,038	19	4,230
-	-	-	588	808	629	11,590	86	-
-	-	-	-	-	-	(358)	-	-
-	(94)	(42)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	(94)	(42)	588	808	629	11,232	86	-
(1,411)	5,244	3,046	(2,734)	5,930	(4,853)	23,270	105	4,230

(In Thousands)	Combined	Adjustments and Eliminations	Renown Health	Nevada Healthcare Cooperative	Renown Regional Medical Center	Clinic Trials and Special Purpose Funds
Revenues in Excess of (Less Than) Expenses	\$ 3,994	\$ 260	\$ (5,218)	\$ 411	\$ (24,275)	\$ (9)
Changes in unrealized gains and losses on investments	7,554	-	-	-	(17)	-
Changes in unrealized gains and losses on interest rate swaps	1,607	-	-	-	1,607	-
Other changes	(948)	1,433	(3,003)	(505)	1,095	5
Contributions for property acquisitions	445	-	-	-	445	-
Increase (Decrease) in Unrestricted Net Assets	12,652	1,693	(8,221)	(94)	(21,145)	(4)
Temporarily and Permanently Restricted Contributions and related investment income	1,778	-	-	-	-	-
Net assets released from restrictions	(445)	-	-	-	-	-
Increase in Temporarily and Permanently Restricted Net Assets	1,333	-	-	-	-	-
Increase (Decrease) in Net Assets	13,985	1,693	(8,221)	(94)	(21,145)	(4)
Net Assets (Deficit), Beginning of Year	504,066	(121,267)	135,394	291	140,608	580
Net Assets (Deficit), End of Year	\$ 518,051	\$ (119,574)	\$ 127,173	\$ 197	\$ 119,463	\$ 576

Renown Health
Combining Statement of Operations and Changes in Net Assets – Continued
Year Ended June 30, 2010

Renown Skilled Nursing	Renown South Meadows	Renown Rehab Hospital	Renown Businesses	Hometown Health Plan, Inc	Hometown Health Management Company	Renown Network Services	Renown Health Foundation	Roult Dialysis
\$ (1,411)	\$ 5,244	\$ 3,044	\$ (2,734)	\$ 5,930	\$ (4,853)	\$ 23,270	\$ 105	\$ 4,230
-	-	-	118	-	-	7,134	319	-
-	-	-	-	-	-	-	-	-
(1)	-	1	923	(123)	(2)	-	-	(771)
-	-	-	-	-	-	-	-	-
(1,412)	5,244	3,045	(1,693)	5,807	(4,855)	30,404	424	3,459
-	-	-	-	-	-	-	1,778	-
-	-	-	-	-	-	-	(445)	-
-	-	-	-	-	-	-	1,333	-
(1,412)	5,244	3,045	(1,693)	5,807	(4,855)	30,404	1,757	3,459
(6,095)	55,044	11,812	16,502	15,912	(13,997)	253,102	8,261	7,919
<u>\$ (7,507)</u>	<u>\$ 60,288</u>	<u>\$ 14,857</u>	<u>\$ 14,809</u>	<u>\$ 21,719</u>	<u>\$ (18,852)</u>	<u>\$ 283,506</u>	<u>\$ 10,018</u>	<u>\$ 11,378</u>

June 30, 2011 and 2010

Renown Health Obligated Group

	2011	2010
	(In Thousands)	
Assets		
Current Assets		
Cash and cash equivalents	\$ 76.133	\$ 74.783
Marketable securities	275.028	244.434
Receivables		
Patient, net of allowance for uncollectible accounts of \$79.968 in 2011 and \$96.275 in 2010	101.801	101.373
Other	2.030	1.903
Inventory	15.783	15.602
Funds held in trust, current	4.818	5.023
Prepaid expenses and other	2.043	2.600
Total current assets	477.636	445.718
Funds Held in Trust, Net of Current Portion		
For debt service	10.615	11.070
For capital projects	14.245	14.245
Total funds held in trust, net of current portion	24.860	25.315
Property and Equipment, Net	482.205	498.472
Due from Renown Health	115.671	88.210
Other Assets		
Unamortized financing costs, net of accumulated amortization of \$5.135 in 2011 and \$4.480 in 2010	17.653	17.925
Goodwill, net of accumulated amortization of \$3.522 in 2011 and \$3.522 in 2010	6.662	6.837
Investments in Affiliates	1.527	-
Other	34	33
Total other assets	25.876	24.795
Total assets	\$ 1,126.248	\$ 1,082.510

Renown Health Obligated Group
Combined Balance Sheets
June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
	(In Thousands)	
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	\$ 23,861	\$ 19,991
Accounts payable		
Trade	18,682	16,972
Estimated third-party payor settlements and other	2,917	3,540
Accrued salaries, wages and benefits	<u>22,262</u>	<u>20,924</u>
Total current liabilities	67,722	61,427
Other	32,986	38,314
Long-Term Debt, Less Current Maturities	<u>493,809</u>	<u>504,656</u>
Total liabilities	594,517	604,397
Unrestricted Net Assets	<u>531,731</u>	<u>478,113</u>
Total liabilities and net assets	<u><u>\$ 1,126,248</u></u>	<u><u>\$ 1,082,510</u></u>

Renown Health Obligated Group
Combined Statements of Operations and Changes in Net Assets
Years Ended June 30, 2011 and 2010

	2011	2010
	(In Thousands)	
Unrestricted Revenues, Gains, and Other Support		
Net patient service revenues	\$ 652,495	\$ 635,266
Other revenues	15,084	12,368
Total unrestricted revenues, gains, and other support	667,579	647,634
Expenses		
Salaries and wages	179,605	178,162
Employee benefits	40,731	35,623
Provision for bad debts	114,042	121,763
Supplies	110,605	109,096
Professional fees	28,503	26,276
Purchased services	76,511	67,823
Purchased charity care	3,070	3,245
Repairs and maintenance	2,037	1,997
Utilities and telephone	7,330	8,306
Insurance	5,113	5,984
Provision for depreciation/amortization	40,591	41,803
Interest	27,053	26,842
Rental and lease	4,717	4,508
Other	9,837	8,406
Total expenses	649,745	639,834
Operating Income	17,834	7,800
Other Income (Loss)		
Investment income	8,918	11,331
Unrealized gain (loss) on investments	3,686	(358)
Loss on extinguishment of debt	-	(382)
Gain (loss) on interest rate swaps	1,425	(11,108)
Other income (loss), net	14,029	(517)
Revenues in Excess of Expenses	31,863	7,283
Change in Unrealized Gains and Losses on Investments	15,238	7,114
Change in Unrealized Gains and Losses on Interest Rate Swaps	5,847	1,607
Change in Postretirement Benefit Obligations	-	1,098
Change in Accounting Principle	(175)	
Contributions for Property Acquisitions	845	445
Increase (Decrease) in Unrestricted Net Assets	53,618	17,547
Net Assets, Beginning of Year	478,113	460,566
Net Assets, End of Year	\$ 531,731	\$ 478,113

Renown Health Obligated Group
Combined Statements of Cash Flows
Years Ended June 30, 2011 and 2010

	2011	2010
	(In Thousands)	
Operating Activities		
Change in net assets	\$ 53,618	\$ 17,547
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Provision for bad debts	114,042	121,763
Provision for depreciation/amortization	40,591	41,803
Change in accounting principle	175	-
Contributed equipment	(845)	(445)
Realized loss (gain) on sale of property	88	(286)
Net gain on marketable securities	(18,924)	(6,756)
Decrease (increase) in fair value on interest rate swaps	(7,272)	9,501
Loss on early extinguishment of long-term debt	-	382
Amortization of financing costs and bond discounts/premiums	520	591
Payments to Renown Health	(32,114)	(18,255)
Investments in affiliates	(1,527)	-
Changes in operating assets and liabilities		
Patient accounts receivable and other receivables, less interest receivable	(114,700)	(114,374)
Inventory	(181)	(390)
Prepaid expenses and other	556	209
Accounts payable and accrued expenses	3,049	(934)
Other liabilities	1,317	(48)
Net Cash provided by Operating Activities	38,393	50,308
Investing Activities		
Purchase of property, plant and equipment	(19,012)	(6,174)
Sales of property, plant and equipment	99	525
Purchase of marketable securities	(64,457)	(136,541)
Sales of marketable securities	53,016	125,354
Decrease in funds held in trust	202	169
Net Cash used for Investing Activities	(30,152)	(16,667)
Financing Activities		
Additions to long-term debt	266	-
Principal payments on long-term debt	(7,107)	(20,740)
Increase in swap collateral	(50)	(2,359)
Increase in bond premium	-	578
Increase in financing costs	-	(633)
Net Cash used for Financing Activities	(6,891)	(23,154)
Net Increase in Cash and Cash Equivalents	1,350	10,487
Cash and Cash Equivalents, Beginning of Year	74,783	64,296
Cash and Cash Equivalents, End of Year	\$ 76,133	\$ 74,783

Renown Health Obligated Group
Selected Utilization Statistics (Unaudited)

	2007	2008	2009	2010	2011
Renown Regional Medical Center					
Licensed beds (1)	538	808	808	808	808
Available beds	522	537	555	558	585
Patient days	126,514	129,796	141,489	140,077	143,916
Admissions	25,475	25,362	26,731	26,364	27,333
Discharges	25,493	25,289	26,708	26,362	27,214
Average length of stay (2)	5.0	5.1	5.3	5.3	5.3
Average daily census	347	356	388	383	394
Occupancy percent (3)	66.40%	66.22%	69.85%	68.78%	67.40%
FTEs adjusted occupied bed	4.9	4.8	4.1	4.0	3.9
FTEs adjusted admission	24.4	24.4	21.8	21.2	20.7
Deliveries	4,911	4,547	4,176	3,920	3,787
Case mix index - total	1.4422	1.4766	1.4948	1.5652	1.6014
Case mix index - Medicare	1.7447	1.7443	1.7406	1.8318	1.8474
Other Statistics					
Number of surgeries	19,993	19,725	20,051	19,284	18,179
Emergency room visits	65,547	64,047	67,692	76,674	81,356
Outpatient visits	104,774	111,615	120,226	124,414	151,425
Renown South Meadows Medical Center (4)					
Licensed beds	76	76	76	76	76
Available beds	76	76	76	76	76
Patient days	11,123	12,919	11,013	9,750	9,895
Admissions	2,598	3,256	3,096	3,077	3,022
Discharges	2,598	3,245	3,105	2,998	2,707
Average length of stay (2)	4.3	4.0	3.6	3.3	3.7
Average daily census	30	35	30	27	27
Occupancy percent (3)	40.10%	46.57%	39.70%	35.20%	35.67%
Number of surgeries	3,719	4,261	4,097	4,373	4,420
Emergency room visits	22,991	22,447	19,060	18,707	19,351
Outpatient visits	32,150	30,227	28,463	28,690	29,023

(1) Renown Regional has 80 licensed beds in the Tahoe Tower and 120 licensed beds in the Sierra Tower that allow our patient rooms to be utilized as semi-private rooms when necessary. The Sierra Tower has 50 licensed beds that are used as overflow when needed.

(2) Based on admissions.

(3) Based on available beds.

(4) Excludes Renown Rehabilitation Hospital.

Renown Health Obligated Group
Historical Performance Financial Ratios (Unaudited)
As of and For The Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Days Revenue in Accounts Receivable, Net	56.9	58.2
Days Cash on Hand	210.4	194.7
Cash to Debt (%)	67.8	60.8
Maximum Annual Debt Service Coverage	2.8	2.6
Debt to Capitalization (%)	49.3	52.3
Operating Cash Flow Margin (%)	12.8	11.8
Net Operating Margin (%)	2.7	1.2
EBITDA Margin	14.0	13.3

Renown Health Obligated Group Financial Ratio Definitions:

Days Revenue in Accounts Receivable, Net Net patient accounts receivable divided by (net patient revenue divided by the days in the year)

Days Cash on Hand Cash and marketable securities divided by [total operating expenses — provisions for depreciation — (gain)/loss on disposal of equipment (divided by the days in the year)]

Cash to Debt Cash and marketable securities divided by long-term debt

Debt to Cash Flow Long-term debt divided by (income + provisions for depreciation)

Maximum Annual Debt Service Coverage (Income + provision for depreciation + interest expense + (gain)loss on disposal of equipment + loss(gain) on interest rate swaps + unrealized loss(gain) on investments + loss on extinguishment of debt) divided by maximum annual debt service

Debt to Capitalization Long-term debt, including current maturities, divided by net assets + long-term debt, including current maturities

Operating Cash Flow Margin (Income from operations + interest expense + provision for depreciation) divided by total operating revenues

Net Operating Margin Income from operations divided by total operating revenues

EBITDA Margin Operating Income + investment income + interest expense + provision for depreciation + provision for taxes divided by total operating revenues + investment income