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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
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
UNMC Physicians

Doing Business As

Number and street (or P O box if mail is not delivered to street address)
988101 NEBRASKA MEDICAL CENTER

Room/suite

City or town, state or country, and ZIP + 4
OMAHA, NE 681988101

D Employer identification number
47-0785575

E Telephone number
(402) 559-9789

G Gross receipts $ 219,047,791

F Name and address of principal officer
MR TROY K WILHELM
988101 NEBRASKA MEDICAL CENTER
OMAHA, NE 681988101

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW UNMCPHYSICIANS COM

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

L Year of formation 1995

M State of legal domicile NE

Part I Summary

1 Briefly describe the organization's mission or most significant activities
SUPPORT THE MISSION OF UNIVERSITY OF NEBRASKA MEDICAL CENTER, IMPROVE HEALTH OF NEBRASKA THROUGH EDUCATION, RESEARCH, THE HIGHEST QUALITY PATIENT CARE, AND OUTREACH TO UNDERSERVED POPULATIONS

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	20
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	0
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	1,439
6	Total number of volunteers (estimate if necessary)	**6**	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	442,860	345,357
9	Program service revenue (Part VIII, line 2g)	203,767,140	216,861,133
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	403,495	430,515
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-733,063	1,410,786
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	203,880,432	219,047,791
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	37,224,110	38,152,001
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	112,913,065	120,828,112
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	52,011,757	54,134,533
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	202,148,932	213,114,646
19	Revenue less expenses Subtract line 18 from line 12	1,731,500	5,933,145

Revenue

Expenses

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	117,107,955	133,199,110
21	Total liabilities (Part X, line 26)	38,573,920	42,518,140
22	Net assets or fund balances Subtract line 21 from line 20	78,534,035	90,680,970

Net Assets or Fund Balances

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

****** 2012-02-09
Signature of officer Date

TROY K WILHELM CHIEF FINANCIAL OFFICER
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ▶☐	PTIN
Firm's name ▶ KPMG LLP				Firm's EIN ▶
Firm's address ▶ Two Central Park Plaza Suite 1501 Omaha, NE 681021626				Phone no ▶ (402) 348-1450

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

SUPPORT THE MISSION OF THE UNIVERSITY OF NEBRASKA MEDICAL CENTER, AND ALSO TO IMPROVE THE HEALTH OF NEBRASKA THROUGH PREMIER EDUCATIONAL PROGRAMS, INNOVATIVE RESEARCH, THE HIGHEST QUALITY PATIENT CARE, AND OUTREACH TO UNDERSERVED POPULATIONS

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

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

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 212,545,805 including grants of $ 38,152,001) (Revenue $ 218,271,919)

UNMC PHYSICIANS DIRECTS ITS RESOURCES TOWARD GIVING LEADING PHYSICIANS THE RESOURCES TO PROVIDE EXCELLENT HEALTHCARE TO PATIENTS ACROSS NEBRASKA AND BEYOND UNMC PHYSICIANS CONTINUES TO LEAD THE REGION THROUGH A FOCUSED MISSION INCLUDING EXCEPTIONAL PATIENT CARE, EDUCATION THAT EMPOWERS, CUTTING-EDGE RESEARCH AND AN EMPHASIS ON GIVING BACK TO THE COMMUNITY WITH MORE THAN 50 SPECIALTIES AND SUB-SPECIALTIES, UNMC PHYSICIANS PROVIDES SPECIALIZED SERVICES AND THE LATEST IN TREATMENT OPTIONS TO ITS PATIENTS OUR PHYSICIANS NOT ONLY TREAT PATIENTS, BUT THEY EDUCATE FUTURE PHYSICIANS MANY OF OUR DOCTORS TRAINED AND NOW TEACH AT THE UNIVERSITY OF NEBRASKA MEDICAL CENTER THEY, ALONG WITH EXPERIENCED NURSES, ALLIED HEALTH PROFESSIONALS AND BUSINESS SUPPORT PERSONNEL ARE DEDICATED TO SERVING THE HEALTHCARE NEEDS OF OUR COMMUNITY CHARITABLE CARE IS A HIGH PRIORITY, AND WE MAKE TREATMENT AVAILABLE TO ALL PERSONS WHO PRESENT THEMSELVES FOR CARE, REGARDLESS OF RACE, CREED, LIFESTYLE, OR ABILITY TO PAY DURING FISCAL 2009, UNMC PHYSICIANS SERVED MORE THAN 390 THOUSAND PATIENTS IN ITS CLINICS AND OVER 260 THOUSAND PATIENTS THROUGH INPATIENT AND OTHER ANCILLARY SERVICE LINES IN ADDITION, UNMC PHYSICIANS SUPPORTS MANY COMMUNITY BASED HEALTH PROGRAMS SERVING THE POOR THROUGH DONATED FUNDS, SUPPLIES, PHYSICIAN TIME AND NURSE TIME UNMC PHYSICIANS PROVIDED MORE THAN 2 5 MILLION DOLLARS, AT COST, IN CHARITABLE CARE TO THE UNDERSERVED AND THOSE UNABLE TO PAY FOR MEDICALLY NECESSARY HEALTHCARE SERVICES IN ADDITION, OVER 29 PERCENT OF UNMC PHYSICIANS NET PATIENT SERVICE REVENUE CAME FROM GOVERNMENT FUNDED HEALTH INSURANCE PROGRAMS, SUCH AS MEDICAID, MEDICARE AND TRICARE WHILE THESE GOVERNMENT PROGRAMS DO NOT COVER THE FULL COST OF THE HEALTH SERVICES PROVIDED, UNMC PHYSICIANS TRANSFERRED OVER 31 MILLION DOLLARS TO THE COLLEGE OF MEDICINE AT THE UNIVERSITY OF NEBRASKA MEDICAL CENTER IN SUPPORT OF ITS CLINICAL, EDUCATION AND RESEARCH MISSION PLEASE SEE THE COMMUNITY BENEFIT REPORT FOR ADDITIONAL DETAILS AT WWW UNMCPHYSICIANS COM

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

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

4d Other program services (Describe in Schedule O)
(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ $ 212,545,805

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	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		No
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, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f		No
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	Yes	
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		No
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	Yes	
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? *If "Yes," complete Schedule I, Parts I and II*	**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? *If "Yes," complete Schedule I, Parts I and III*	**22**	Yes	
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? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b–24d and complete Schedule K. If "No," go to line 25*	**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? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	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? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		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? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**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)? *If "Yes," complete Schedule R, Part V, line 2* ☐ **Yes** ☑ **No**			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 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 . . . . . ☑

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	**1a**	86		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			**1c** Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	1,439		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b** Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a**	No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			**4a**	No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			**5a**	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			**5b**	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			**5c**	
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			**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	1a	20		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	0		
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	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

			Yes	No
10a	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

☐ Own website ☐ Another's website ☑ 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 ▶

MR TROY K WILHELM
988101 NEBRASKA MEDICAL CENTER
OMAHA, NE 681988101
(402) 559-7990

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			
See Additional Data Table										

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			
See Additional Data Table										
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								8,566,510	4,755,301	1,007,391

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 ▶ 268

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**		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? *If "Yes," complete Schedule J for such individual*	**4**	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	**5**		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
KIEWIT BUILDING GROUP INC 3921 MASON STREET OMAHA, NE 681051840	GENERAL CONTRACTOR	954,976
THE NEBRASKA MEDICAL CENTER 988145 NEBRASKA MEDICAL CENTER OMAHA, NE 681988145	MEDICAL CALL CENTER	315,000
GOLDNER COOPER COTTON SUNDELL 8901 W DODGE RD SUITE 210 OMAHA, NE 68114	Physician Svcs	200,001
GE Healthcare IITS US Corp IDX PO Box 277475 ATLANTA, GA 303847475	Maintenance	645,369
Ingenix PO Box 271256 SALT LAKE CITY, UT 841271256	Maintenance	190,080

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 ▶ 9

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) 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	345,357				
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f . . . . . ▶		345,357			
		Business Code				
Program Service Revenue	2a PATIENT SVC REVENUE	621400	165,160,941	165,160,941		
	b OTHER CONTRACTUAL REVENUE	900099	51,700,192	51,700,192		
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f . . . . . ▶		216,861,133			
	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		430,515			430,515
	4 Income from investment of tax-exempt bond proceeds . . ▶		0			
	5 Royalties . . . . . ▶		0			
		(i) Real	(ii) Personal			
	6a Gross Rents					
	b Less rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss) . . . . . ▶					
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory					
	b Less cost or other basis and sales expenses					
	c Gain or (loss)					
	d Net gain or (loss) . . . . . ▶		0			
Other Revenue	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 . . ▶		0			
	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 . . . ▶		0			
	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 . . ▶		0			
	Miscellaneous Revenue	Business Code				
	11a DEPARTMENTAL MISC DEPOSITS	561000	1,410,786	1,410,786		
	b					
	c					
	d All other revenue					
	e **Total.** Add lines 11a–11d . . . . . ▶		1,410,786			
	12 **Total revenue.** See Instructions . . . ▶		219,047,791	218,271,919	0	430,515

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	32,462,232	32,462,232		
2 Grants and other assistance to individuals in the U S See Part IV, line 22	5,689,769	5,689,769		
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	6,179,635	6,179,635		
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	92,741,770	92,741,770		
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	10,620,255	10,620,255		
9 Other employee benefits	7,305,194	7,305,194		
10 Payroll taxes	3,981,258	3,981,258		
a Fees for services (non-employees) Management	0			
b Legal	117,634		117,634	
c Accounting	199,615		199,615	
d Lobbying	0			
e Professional fundraising services *See Part IV, line 17*	0			
f Investment management fees	0			
g Other	528,510	528,510		
12 Advertising and promotion	327,426	327,426		
13 Office expenses	1,413,639	1,413,639		
14 Information technology	0			
15 Royalties	0			
16 Occupancy	3,604,918	3,604,918		
17 Travel	279,908	279,908		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	142,238	142,238		
20 Interest	0			
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	2,068,402	2,068,402		
23 Insurance	2,940,641	2,689,049	251,592	
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 DEAN & DEPT DEVELOPMENT FUND	10,184,367	10,184,367		
b CONTRACTED PHYSICIAN SVC	7,152,860	7,152,860		
c PROVISION FOR BAD DEBT EXPENSE	10,233,178	10,233,178		
d MEDICAL SUPPLIES/EQUIPMENT	4,990,298	4,990,298		
e REPAIRS AND MAINTENANCE	1,148,328	1,148,328		
f All other expenses	8,802,571	8,802,571		
25 **Total functional expenses.** Add lines 1 through 24f	213,114,646	212,545,805	568,841	0
26 **Joint costs.** Check here ▶ ☐ 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) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing	14,881,197	1	23,798,953
	2	Savings and temporary cash investments	2,470,322	2	0
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	33,061,316	4	38,969,393
	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	392,868	7	486,953
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	522,565	9	612,408
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D* — 10a: 35,860,075			
	b	Less accumulated depreciation — 10b: 13,618,928	21,562,125	10c	22,241,147
	11	Investments—publicly traded securities	35,552,760	11	42,116,076
	12	Investments—other securities See Part IV, line 11	462,251	12	698,308
	13	Investments—program-related See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets See Part IV, line 11	8,202,551	15	4,275,872
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	117,107,955	16	133,199,110
Liabilities	17	Accounts payable and accrued expenses	23,551,686	17	26,162,556
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	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	
	25	Other liabilities Complete Part X of Schedule D	15,022,234	25	16,355,584
	26	**Total liabilities.** Add lines 17 through 25	38,573,920	26	42,518,140
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	78,534,035	27	90,680,970
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	78,534,035	33	90,680,970
	34	Total liabilities and net assets/fund balances	117,107,955	34	133,199,110

Part XI Reconcilliation 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	219,047,791
2	Total expenses (must equal Part IX, column (A), line 25)	2	213,114,646
3	Revenue less expenses Subtract line 2 from line 1	3	5,933,145
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	78,534,035
5	Other changes in net assets or fund balances (explain in Schedule O)	5	6,213,790
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	90,680,970

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 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? . .	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	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	2c	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 ☑ Separate basis ☐ Consolidated basis ☐ 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?	3a		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 . .	3b		

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
UNMC Physicians

Employer identification number
47-0785575

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?

	Yes	No
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization? **11g(i)**		
(ii) a family member of a person described in (i) above? **11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support
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 ")				442,860	345,357	788,217
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	157,535,782	179,803,474	187,261,214	204,777,880	218,271,919	947,650,269
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	157,535,782	179,803,474	187,261,214	205,220,740	218,617,276	948,438,486
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	14,737,271	17,833,743	25,842,227	25,069,283	31,518,323	115,000,847
c Add lines 7a and 7b	14,737,271	17,833,743	25,842,227	25,069,283	31,518,323	115,000,847
8 **Public Support** (Subtract line 7c from line 6)						833,437,639

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	157,535,782	179,803,474	187,261,214	205,220,740	218,617,276	948,438,486
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	985,619	901,909	506,601	403,495	430,515	3,228,139
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975		207,897				207,897
c Add lines 10a and 10b	985,619	1,109,806	506,601	403,495	430,515	3,436,036
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)				-1,743,803		-1,743,803
13 **Total support** (Add lines 9, 10c, 11 and 12)	158,521,401	180,913,280	187,767,815	203,880,432	219,047,791	950,130,719

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section501(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	87 718 %
16	Public support percentage from 2009 Schedule A, Part III, line 15	16	88 851 %

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2010** (line 10c column (f) divided by line 13 column (f))	17	0 362 %
18	Investment income percentage from **2009** Schedule A, Part III, line 17	18	0 437 %

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).

Facts And Circumstances Test

Explanation

LOSS IN JOINT VENTURE IN 2009 (1,743,803)

Additional Data

Software ID:
Software Version:
EIN: 47-0785575
Name: UNMC Physicians

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

(A) Name and Title	(B) Average hours per week	(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			
CHARLES A ENKE DIRECTOR	40 0	X						277,050	215,703	36,794
KEVIN L GARVIN DIRECTOR	40 0	X						339,871	207,359	38,651
DONALD A LEOPOLD DIRECTOR	40 0	X						235,072	202,741	55,627
CARL V SMITH CHAIR/PRESIDENT	40 0	X		X				234,420	223,263	30,584
CRAIG W WALKER DIRECTOR	40 0	X						365,997	224,111	23,792
STEVEN WENGEL DIRECTOR	40 0	X						39,881	223,660	29,828
Lynell Klassen DIRECTOR	40 0	X						47,534	267,305	31,686
GERALD GROGGEL DIRECTOR	40 0	X						203,744	103,362	37,117
ROBERT MUELLEMAN SECRETARY-TREASURER/DEPT CHAIR	40 0	X		X				238,414	168,001	46,773
MICHAEL SITORIUS VICE CHAIR/DEPARTMENT CHAIR	40 0	X		X				59,642	229,110	51,827
JOHN SPARKS DIRECTOR	40 0	X						0	186,439	43,113
DEBRA ROMBERGER DIRECTOR	40 0	X						2,643	32,206	13,231
THOMAS HEJKAL DIRECTOR	40 0	X						256,987	186,149	25,853
STEVE HINRICHS DIRECTOR	40 0	X						215,259	209,688	25,616
KEN FOLLETT DIRECTOR	40 0	X						421,257	133,588	21,592
DAVID W MERCER DIRECTOR	40 0	X						429,872	206,300	22,282
DANIEL LYDIATT DIRECTOR	40 0	X						151,616	70,194	5,985
DANIEL MURMAN DIRECTOR	40 0	X						79,501	77,114	33,658
MATTHEW MORMINO DIRECTOR	40 0	X						349,979	110,782	46,660
CHARLES MORRIS DIRECTOR	40 0	X						334,257	124,707	48,768
CORY D SHAW EXEC VP/CEO	40 0			X				206,172	155,920	51,282
TROY WILHELM CFO	40 0			X				248,697	0	18,154
DENNIS BIERLE COO	40 0			X				231,758	0	20,789
CARIN BORG ADMINISTRATOR	40 0				X			76,067	103,655	22,266
HAROLD MAURER PHYSICIAN/CHANCELLOR	40 0				X			94,559	430,648	51,021

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

(A) Name and Title	(B) Average hours per week	(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			
LISA RUNCO ADMINISTRATOR	40 0				X			80,381	87,619	38,564
BRYAN SCHWAHN ADMINISTRATOR	40 0				X			104,294	75,880	25,045
DAVID MELLIGER administrator	40 0				X			74,655	83,874	15,045
JEAN BOTHA PHYSICIAN	40 0					X		602,868	96,544	19,079
ALAN LANGNAS PHYSICIAN	40 0					X		798,180	96,632	16,951
WILLIAM THORELL PHYSICIAN	40 0					X		575,002	74,601	16,593
PETER LENNARSON PHYSICIAN	40 0					X		587,836	77,801	33,017
WENDY JEAN WARD PHYSICIAN	40 0					X		603,045	70,345	10,148

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
UNMC Physicians

Employer identification number
47-0785575

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

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

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

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds 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 ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or 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
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06	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
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

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

b If "Yes," explain the arrangement in Part 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

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	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		2,358,686		2,358,686
b Buildings		4,416,180	275,206	4,140,974
c Leasehold improvements		12,897,448	2,390,852	10,506,596
d Equipment		16,187,761	10,952,870	5,234,891
e Other				
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				22,241,147

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
FEES PAYABLE TO UNMC	9,699,868
RESERVE FOR SELF INSURANCE	4,905,716
EDUCATION BUILDING COMMITMENT	1,750,000
UNMC PAYABLE - NPPI	0
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	16,355,584

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

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	219,047,791
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	213,114,646
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	5,933,145
4	Net unrealized gains (losses) on investments	4	6,213,790
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	6,213,790
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	12,146,935

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	179,294,531
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	6,213,790		
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	6,213,790
3	Subtract line **2e** from line **1**			3	173,080,741
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	45,967,050		
c	Add lines **4a** and **4b**			4c	45,967,050
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	219,047,791

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	167,147,596
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	167,147,596
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	45,967,050		
c	Add lines **4a** and **4b**			4c	45,967,050
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	213,114,646

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
Part XII, Line 4B		10,233,178 Bad Debt Expense Reclass 30,044,103 Transfer to UNMC 5,689,769 CHARITY CARE RECLASS ---------- 45,967,050
EXPLANATION TO THE ORGANIZATION'S FINANCIAL STATEMENTS (FIN 48)	PART X, LINE 2	FASB INTERPRETATION NO 48, ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES (FIN 48) IS NOT APPLICABLE TO UNMC PHYSICIANS AS THEY ARE CONSIDERED A GOVERNMENTAL ENTITY FOR ACCOUNTING PURPOSES
Part XIII, Line 4B		10,233,178 Bad Debt Expense Reclass 5,689,769 CHARITY CARE RECLASS 30,044,103 TRANSFER TO UNMC ---------- 46,967,050

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SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
UNMC Physicians

Employer identification number
47-0785575

Part I General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 **For grantmakers.** 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 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States

3 Activites per Region (Use Part V if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region or independent contractors	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for region/investments in region
Sub-Saharan Africa	0	0	Program Services	SEE PART IV	15,625
3a Sub-total	0	0			15,625
b Total from continuation sheets to Part I					
c **Totals** (add lines 3a and 3b)	0	0			15,625

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Check this box if no one recipient received more than $5,000 . . . . . ▶ ☐
Use Part V if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . . ▶ _____

3 Enter total number of other organizations or entities . . . . . ▶

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Use Part V if additional space is needed.

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

Part IV Foreign Forms

1	Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926 (see instructions for Form 926)*	☐ Yes	☑ No
2	Did the organization have an interest in a foreign trust during the tax year? *If " Yes," the organization may be required to file Form 3520 and/or Form 3520-A. (see instructions for Forms 3520 and 3520-A)*	☐ Yes	☑ No
3	Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with respect to Certain Foreign Corporations. (see instructions for Form 5471)*	☐ Yes	☑ No
4	Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see instructions for Form 8621)*	☐ Yes	☑ No
5	Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with respect to Certain Foreign Partnerships. (see instructions for Form 8865)*	☐ Yes	☑ No
6	Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see instructions for Form 5713).*	☐ Yes	☑ No

Part V Supplemental Information

Complete this part to provide the information (see instructions) required in Part I, line 2, and any additional information.

Identifier	Return Reference	Explanation
GENERAL INFORMATION ON ACTIVITIES OUTSIDE THE U S	PART I, LINE 3	UNMC FINANCIALLY SUPPORTS UNMC COLLEGE OF MEDICINE'S MEDICAL RESIDENT ROTATION PROGRAM STUDENTS DO A MONTHLY ROTATION IN SOUTH AFRICA WORKING IN LOCAL HOSPITALS AND CLINICS UNMC PHYSICIANS PAID $15,625 FOR THE MEDICAL RESIDENT HOUSING

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
UNMC Physicians

Employer identification number
47-0785575

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	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			
	☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☑ Generally tailored to individual 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 *free* care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care	3a	Yes	
	☐ 100% ☐ 150% ☑ 200% ☐ Other ____ %			
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care	3b	Yes	
	☐ 200% ☐ 250% ☐ 300% ☐ 350% ☑ 400% ☐ Other ____ %			
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			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Does the organization prepare a community benefit report during the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			2,636,611	0	2,636,611	1 220 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			21,442,854	17,307,432	4,135,423	1 920 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)			2,666	1,793	873	
d **Total** Financial Assistance and Means-Tested Government Programs			24,082,131	17,309,225	6,772,907	3 140 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			95,527	0	95,527	0 040 %
f Health professions education (from Worksheet 5)			5,340,880	0	5,340,880	2 480 %
g Subsidized health services (from Worksheet 6)			2,756,183	1,243,495	1,512,688	0 700 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			35,243,757	0	35,243,757	16 360 %
j **Total** Other Benefits			43,436,347	1,243,495	42,192,852	19 580 %
k **Total.** Add lines 7d and 7j			67,518,478	18,552,720	48,965,759	22 720 %

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			215		215	
3	Community support			2,063,229		2,063,229	0 960 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**			2,063,444		2,063,444	0 960 %

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	Yes		
2	Enter the amount of the organization's bad debt expense (at cost)	2	4,986,798		
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	1,492,872		
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	27,259,388
6	Enter Medicare allowable costs of care relating to payments on line 5	6	51,795,119
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-24,535,731
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	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					

Part V Facility Information

Section A. Hospital Facilities

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

How many hospital facilities did the organization operate during the tax year? 1

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	BELLEVUE MEDICAL CENTER LLC 2500 medical center drive BELLEVUE, NE 68123	X	X					X		

Part V **Facility Information** *(continued)*

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 3C		BELLEVUE MEDICAL CENTER IS STRUCTURED AS AN LLC AND IS A HOSPITAL UNMC PHYSICIANS IS NOT A HOSPITAL, BUT ITS INFORMATION IS BEING REPORTED AS REQUIRED due to its ownership held in the llc Per the instructions, unmc physicians has answered part I line 3 based on the joint venture charity care policy OF The Bellevue Medical Center, which is a hospital, and not on the charity care policy of UNMC Physicians, which is not a hospital However, unmc physician's policy is determined by the fpg level of 150% for part I line 3a and 350% for part I line 3b

Identifier	ReturnReference	Explanation
PART I, LINE 6A		The UNMC Physicians community benefit report can be accessed at www unmcphysicians com/v2/default asp?id=13 Bellevue Medical Center is not a 501(c)(3) tax-exempt hospital and is therefore not required to and does not file a community benefit report

Identifier	ReturnReference	Explanation
PART I, LINE 7G		The organization does not have information that indicates that services are provided despite a financial loss to the organization All subsidized services reported on Line 7G were generated by Bellevue Medical Center Bellevue Medical Center engaged in subsidized services during the fiscal year, such as its Emergency Department, Radiology MRI Department, and Radiology CT Department

Identifier	ReturnReference	Explanation
PART I, LINE 7, COLUMN F		The amount used to calculate the table 7 percentages is $215,457,536 This amount is derived from part ix line 25 in the amount of $213,114,646, less bad debt of $10,233,178 for unmc physicians Per the instructions, the proportionate share of total expenses of the Bellevue medical center joint venture of $12,888,428, less bad debt of $312,360 was added to the unmc physicians' amount

Identifier	ReturnReference	Explanation
PART I, LINE 7		BOTH UNMC PHYSICIANS AND BELLEVUE MEDICAL CENTER USED THE COST TO CHARGE RATIO FOR FIGURES REPORTED IN THE TABLE THIS COST TO CHARGE RATIO WAS DERIVED FROM WORKSHEET 2 OF THE INSTRUCTIONS

Identifier	ReturnReference	Explanation
PART III, LINE 4		Patient Service Revenue may qualify for financial assistance The Patient is obligated to complete financial assistance forms and to submit supporting documentation to qualify Services to patients who provide this information and qualify for assistance are not considered bad debt Bad Debt is reported for services rendered to those unwilling to pay and /or work with the organization to provide financial assistance if available This is only after the organization has exhausted all reasonable efforts to collect outstanding balances from the patient If an account is determined to meet the criteria of a bad debt, the remaining balance will be written off to bad debt expense As the organization does not have a cost accounting system, the COST OF THE BAD DEBT WAS ESTIMATED USING THE COST TO CHARGE RATIO THERE IS NO SPECIFIC FOOTNOTE IN THE AUDITED FINANCIAL STATEMENTS FOR BAD DEBT, HOWEVER, A DISCUSSION ON NET PATIENT SERVICE REVENUE STATES, "UNMC Physicians has agreements with third party payers that provide payment to UNMC Physicians at amounts different from its established rates Net patient service revenue is reported at the net realizable amounts from patients, third-party payers and others for services rendered "

Identifier	ReturnReference	Explanation
PART III, LINE 8		As a part of our mission, we will provide treatment to any patient who needs it We have a disproportionate share of Medicare patients in the community where we provide care below our cost This produces a loss and is considered a community benefit Our costing methodology is the cost to charge ratio We are not a hospital and do not have a hospital cost accounting system to produce detailed cost information at the service level We do not have or prepare Medicare cost reports, therefore we use the cost to charge ratio

Identifier	ReturnReference	Explanation
PART III, LINE 9B		UNMC Physicians provides financial assistance to qualified uninsured or underinsured patients requiring non-elective medically necessary treatment Patients known to qualify for financial assistance (after completing all paperwork and receiving approval) are identified accordingly in the financial systems to ensure financial assistance is used to cover services rendered by UNMC Physicians Financial assistance can result in 100% assistance sliding to 20% Consideration is given to medically necessary current charges and can extend for a period up to six months Patients can renew every six months A reevaluation of the patient's financial situation may be performed if the patient is unable to comply with the financial assistance arrangements Patients receive a statement from the organization as long as they have a balance due Patients of the Bellevue Medical Center known to qualify for financial assistance (once all paperwork is received and approved) are flagged in the system and monitored accordingly to ensure financial assistance is "posted" to the patient account When the 12 month approval expires, patients are contacted if services have been rendered within the last six months to discuss submittal of new information for continuation of assistance If patients no longer qualify, other payment options are discussed per organizational policy Reports are utilized for follow up purposes Patients who qualify for 100% assistance do not receive guarantor statements (bills) from the organization Patients who qualify for an 80% or 60% discount work with customer service or collection staff to outline payment arrangements according to set policy

Identifier	ReturnReference	Explanation
PART V, SECTION A		UNMC PHYSICIANS SUPPORTS THE MISSION OF THE UNIVERSITY OF NEBRASKA MEDICAL CENTER, TO IMPROVE THE HEALTH OF NEBRASKA THROUGH PREMIER EDUCATIONAL PROGRAMS, INNOVATIVE RESEARCH, THE HIGHEST QUALITY PATIENT CARE, AND OUTREACH TO UNDERSERVED POPULATIONS UNMC PHYSICIANS IS NOT A HOSPITAL, HOWEVER, UNMC PHYSICIANS OWNS 19% OF BELLEVUE MEDICAL CENTER, LLC, WHICH IS A HOSPITAL THEREFORE, per the instructions, SCHEDULE H INCLUDES ALL CLINICAL ACTIVITIES OF UNMC PHYSICIANS, PLUS 19% OF HOSPITAL ACTIVITY OF BELLEVUE MEDICAL CENTER, LLC

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT		UNMC Physicians uses disease incidence and prevalence data, leading causes of death, community health status research and supply and demand analysis to assess the health care needs of the communities it serves Bellevue Medical Center is majority owned by The Nebraska Medical Center UNMC Physicians HAS A MINORITY OWNERSHIP both OF THESE ORGANIZATIONS are 501(c)(3) organizations It was determined from previous assessments that the community had a need for medical services that was not currently being fulfilled A community needs assessment was underway in the Douglas/Sarpy County area during fiscal year 2011 as a collaborative effort between all Omaha area hospitals As this was the Bellevue Medical Center's (BMC) first full fiscal year, this is the first needs assessment that has been performed specific to BMC

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE		UNMC PHYSICIANS employs financial counselors and customer service staff, all of whom are trained in assisting our patients with resolution of the patients' liability Depending on individual patient needs, payment arrangements or financial assistance may be offered to assist our patients with resolution of their balances Patients are educated about the requirements and eligibility for patient assistance by financial counselors onsite at clinic locations, through brochures and pamphlets, and through the unmc physicians' website Bellevue Medical Center employs financial counselors, customer service staff and collection staff, all of whom are trained in assisting our patients with resolution of patient liability Depending upon individual patient needs, payment arrangements or financial assistance may be offered to assist our customers with resolution of patient balances Additionally, the organization contracts with a company to work with our self pay population to pursue coverage through state, federal or local programs The contract organization provides this patient population with financial assistance applications to complete as well, therefore, if the patient does not meet requirements for state, federal or local coverage, a financial assistance application can be utilized

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION		Our mission is to further the University of Nebraska Medical Center's mission by giving leading physicians the resources necessary to provide high quality health care to patients from across Nebraska and beyond In addition, we support the missions of, and provide services to, The Nebraska Medical Center, Children's Hospital & Medical Center, and the Omaha VA Medical Center We generally serve the local area of Omaha, but provide service to patients throughout the state of Nebraska In addition, given our close proximity to Iowa, we serve many patients from that state as well patients from the Omaha Metro area served by UNMC Physicians are predominately White-Non Hispanic with over 72 3% in this category Black Non-Hispanic make up 13 6% of the population, 6 8% is Hispanic - White The remaining 7 3% includes Asian, Native American, and Unknown classifications UNMC Physicians continues to lead the region through a focused mission including exceptional patient care, education that empowers, cutting-edge research and an emphasis on giving back to the community At UNMC Physicians, we recognize an individual's right to quality healthcare regardless of age, sex, race, religion, national origin, or ability to pay In addition to providing free or reduced healthcare to low income patients, UNMC Physicians supports the community through employee volunteer hours, donations to many charities and extensive financial support of the University of Nebraska Medical Center Because of the continued dedication of our talented physicians, we are able to significantly impact the community through leadership in many medical fields UNMC Physicians grants credit without collateral to its patients, most of whom are local residents and are insured under third party payor arrangements The mix of our receivables from patients as of June 30, 2011 was Medicare - 19 4%, Medicaid - 15 4%, Commercial Payors - 45 1%, Self-Pay - 12 5% and Other - 7 6% Bellevue Medical Center opened on May 17, 2010 in Bellevue, NE as the first full service, public hospital serving a community of roughly 50,000 residents The hospitals service area covers all of Sarpy County and extends throughout northern Cass County and southern Douglas County in Nebraska The hospital also serves the men and women of Offutt Air Force base which is located within its primary market

Identifier	ReturnReference	Explanation
PROMOTION OF COMMUNITY HEALTH		The organization is a physician practice focused on its mission of providing exceptional patient care, education of future medical professionals for the region, and research, while supporting the community Unmc physicians is not a hospital and therefore this question is not applicable Bellevue Medical Center has an open medical staff policy and the leadership team is active on several community boards Bellevue medical center is a hospital, however, it is not a tax exempt organization, and therefore this question is not applicable organization, and therefore this question is not applicable

Identifier	ReturnReference	Explanation
STATE FILING OF COMMUNITY BENEFIT REPORT		Unmc physicians is not required to file its community benefit report with any state, however Unmc physicians does make it available to the public via the web link provided above Bellevue medical center is also not required to file a community benefit report with any state

Identifier	ReturnReference	Explanation
AFFILIATED HEALTH CARE SYSTEM		UNMC Physicians is a not for profit corporation committed to supporting the mission of the University of Nebraska Medical Center ("UNMC") It was established by UNMC to provide a vehicle for the faculty of the College of Medicine to develop an integrated practice for management of clinical activities The mission of the University of Nebraska Medical Center is to improve the health of Nebraska through premier education programs, innovative research, the highest quality patient care, and outreach to underserved populations As previously discussed, Bellevue Medical Center is majority owned by The Nebraska Medical Center, an IRC 501(c)(3) organization

Identifier	ReturnReference	Explanation
PART II		UNMC Physicians and Bellevue Medical Center, LLC pay attention to needs of the community in addition to their focus on healthcare For example, during the year a grant was made by UNMC Physicians to a 501(c)(3) organization to promote academic performance, raise graduation rates, and increase civic and community responsibility

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
UNMC Physicians

Employer identification number
47-0785575

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) AMERICAN HEART ASSOC HEARTLAND AFFILIATION10100 J STREET SUITE A OMAHA,NE 68127	13-5613797	501(C)(3)	25,000				FURTHER EXEMPT PURP
(2) UNIVERSITY OF NEBRASKA MEDICAL CENTER986800 NE MED CTR OMAHA,NE 68198	47-0049123	GOVT	30,044,103				EDUC SUPPORT
(3) UNIVERSITY HOSPITAL AUXILIARY 987509 NE MED CTR OMAHA,NE 68198	47-0591991	501(C)(3)	18,000				FURTHER EXEMPT PURP
(4) UNIVERSITY OF NEBRASKA FOUNDATION 8712 W DODGE RD STE 100 OMAHA,NE 68114	47-0379839	501(C)(3)	192,000				FURTHER EXEMPT PURP
(5) UNMC COLLEGE OF NURSING985330 NE MED CTR OMAHA,NE 68198	47-0049123	GOVT	92,750				FURTHER EXEMPT PURP
(6) BUILDING BRIGHT FUTURES1004 FARNAM ST STE 102 OMAHA,NE 68102	26-0436138	501(C)(3)	2,063,229				FURTHER EXEMPT PURPOSE

2 Enter total number of section 501(c)(3) and government organizations . . . . . ▶ 6

3 Enter total number of other organizations . . . . . ▶ 0

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. 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
(1) CHARITY CARE	4651		5,689,769	BOOK	PATIENT FIN'L ASSIST

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
PART I, LINE 2		CHARITABLE GIVING IS PRIORITIZED AS FOLLOWS 1) HEALTH AND WELLNESS 2) HUMAN SERVICES 3) MEDICAL EDUCATION AND RESEARCH PROCEDURES FOR MONITORING THE USE OF THE GRANT FUNDS IN THE U S ALL DONATION REQUESTS MUST BE SUBMITTED TO THE CHARITABLE DONATIONS COMMITTEE AND THE CHIEF FINANCIAL OFFICER FOR REVIEW AND APPROVAL THE CFO MAY ALSO REQUEST ADDITIONAL INFORMATION, AND/OR MAKE THE APPROVAL CONTINGENT UPON THE ORGANIZATION PROVIDING ONE OR MORE REPORTS DURING OR AT THE CONCLUSION OF THE PROJECT SHOWING HOW THE GRANT FUNDS WERE SPENT ANY SINGLE DONATION REQUEST, OR DONATIONS IN THE AGGREGATE TO ANY ONE CHARITY IN A FISCAL YEAR OF $10,000, SHALL REQUIRE THE APPROVAL OF THE UNMC PHYSICIANS BOARD OF DIRECTORS
PART III		UNMC PHYSICIANS HAS A WRITTEN FINANCIAL ASSISTANCE/CHARITY CARE POLICY

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
UNMC Physicians

Employer identification number
47-0785575

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision 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 ☑ Compensation committee ☑ Written employment contract ☐ Independent compensation consultant ☑ Compensation survey or study ☐ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment from the organization or a related organization?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
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 accured 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				
See Additional Data Table							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							

Part III Supplemental 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
SCHEDULE J, PART I, LINE 4B		

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 47-0785575
Name: UNMC Physicians

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
CHARLES A ENKE	(I)	255,000	22,050	0	9,677	0	286,727	0
	(II)	215,703	0	0	18,227	8,890	242,820	0
KEVIN L GARVIN	(I)	304,871	35,000	0	21,651	0	361,522	0
	(II)	207,359	0	0	16,592	408	224,359	0
DONALD A LEOPOLD	(I)	235,072	0	0	34,510	0	269,582	0
	(II)	180,741	0	22,000	16,485	4,632	223,858	0
CARL V SMITH	(I)	206,989	27,431	0	12,943	0	247,363	0
	(II)	201,263	0	22,000	14,635	3,006	240,904	0
CRAIG W WALKER	(I)	278,497	87,500	0	102	0	366,099	0
	(II)	224,111	0	0	18,300	5,390	247,801	0
STEVEN WENGEL	(I)	39,881	0	0	5,501	0	45,382	0
	(II)	223,660	0	0	18,303	6,060	248,023	0
Lynell Klassen	(I)	38,004	9,530	0	5,613	0	53,147	0
	(II)	267,305	0	0	21,635	4,438	293,378	0
GERALD GROGGEL	(I)	172,744	31,000	0	27,260	0	231,004	0
	(II)	84,362	0	19,000	8,311	1,546	113,219	0
ROBERT MUELLEMAN	(I)	233,414	5,000	0	23,808	0	262,222	0
	(II)	168,001	0	0	14,075	8,890	190,966	0
MICHAEL SITORIUS	(I)	37,642	22,000	0	23,924	0	83,566	0
	(II)	229,110	0	0	19,013	8,962	257,085	0
CORY D SHAW	(I)	153,172	53,000	0	31,669	0	237,841	0
	(II)	139,420	0	16,500	12,941	6,672	175,533	0
TROY WILHELM	(I)	216,697	32,000	0	13,514	4,640	266,851	0
	(II)	0	0	0	0	0	0	0
JOHN SPARKS	(I)	0	0	0	0	0	0	0
	(II)	186,439	0	0	38,907	4,230	229,576	0
THOMAS HEJKAL	(I)	149,787	107,200	0	5,806	0	262,793	0
	(II)	186,149	0	0	15,215	4,832	206,196	0
STEVE HINRICHS	(I)	187,759	27,500	0	3,026	0	218,285	0
	(II)	209,688	0	0	17,200	6,430	233,318	0
KEN FOLLETT	(I)	360,240	61,017	0	4,849	0	426,106	0
	(II)	133,588	0	0	11,053	5,690	150,331	0
DENNIS BIERLE	(I)	200,758	31,000	0	13,771	7,018	252,547	0
	(II)	0	0	0	0	0	0	0
JEAN BOTHA	(I)	407,152	195,716	0	9,452	0	612,320	0
	(II)	80,044	0	16,500	5,955	3,672	106,171	0
ALAN LANGNAS	(I)	588,515	209,665	0	6,045	0	804,225	0
	(II)	96,632	0	0	7,900	3,006	107,538	0
CARIN BORG	(I)	76,067	0	0	10,197	0	86,264	0
	(II)	103,655	0	0	8,515	3,554	115,724	0
HAROLD MAURER	(I)	94,559	0	0	19,215	0	113,774	0
	(II)	430,648	0	0	28,800	4,038	463,486	0
LISA RUNCO	(I)	80,381	0	0	25,910	0	106,291	0
	(II)	87,619	0	0	7,368	5,310	100,297	0
BRYAN SCHWAHN	(I)	86,794	17,500	0	14,225	0	118,519	0
	(II)	75,880	0	0	5,430	5,680	86,990	0
DAVID MELLIGER	(I)	43,655	31,000	0	6,392	0	81,047	0
	(II)	83,874	0	0	6,805	1,848	92,527	0
DAVID W MERCER	(I)	399,872	30,000	0	4,103	0	433,975	0
	(II)	206,300	0	0	13,650	4,649	224,599	0
WILLIAM THORELL	(I)	407,938	167,064	0	6,487	0	581,489	0
	(II)	58,101	0	16,500	6,216	3,890	84,707	0
DANIEL LYDIATT	(I)	151,616	0	0	0	0	151,616	0
	(II)	70,194	0	0	5,607	378	76,179	0
DANIEL MURMAN	(I)	72,818	6,683	0	23,353	0	102,854	0
	(II)	60,614	0	16,500	6,415	3,890	87,419	0
MATTHEW MORMINO	(I)	274,979	75,000	0	31,322	0	381,301	0
	(II)	94,282	0	16,500	9,314	6,024	126,120	0
CHARLES MORRIS	(I)	250,257	84,000	0	30,291	0	364,548	0
	(II)	124,707	0	0	10,471	8,006	143,184	0
PETER LENNARSON	(I)	314,144	273,692	0	23,259	0	611,095	0
	(II)	77,801	0	0	5,868	3,890	87,559	0
WENDY JEAN WARD	(I)	407,330	195,715	0	362	0	603,407	0
	(II)	55,220	0	15,125	5,940	4,688	80,973	0

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
UNMC Physicians

Employer identification number
47-0785575

Identifier	Return Reference	Explanation
GOVERNANCE, MANAGEMENT, AND DISCLOSURE - CONFLICTS OF INTEREST	PART VI, SECTION B, QUESTION 12C	All Covered Persons are required to complete, on an annual basis (at a minimum), a Conflict of Interest Questionnaire and Attestation of Compliance Any Covered Person considering activity that could create an actual or potential Conflict of Interest must immediately disclose the nature of the Conflict of Interest including all material facts within the Conflict of Interest Questionnaire and Attestation of Compliance During the time period between annual attestations, Covered Persons are encouraged to seek counsel and advice from the Chairman of the Board of Directors (Chairman) or Chief Executive Officer (CEO) should any questions arise as to whether or not personal activity or proposed activity would be considered a Conflict of Interest Whenever there is reason to believe that an actual or potential Conflict of Interest exists between UNMC Physicians and a Covered Person, the following procedures for reviewing a potential Conflict of Interest shall be undertaken 1 Conflicts involving Board members or Members of Board Committees The Chairman shall serve as the Designated Reviewing Official and shall have responsibility (except when he/she is a Covered Person) to promptly bring the actual or potential Conflict of Interest to the attention of the Board for action at the next regular meeting of the Board, or during a special meeting called specifically to review the potential conflict of interest When the Chairman has an actual or potential Conflict of Interest, the CEO shall serve as the Designated Reviewing Official 2 Conflicts involving CEO, CFO or COO The Chairman shall serve as the Designated Reviewing Official and shall have responsibility to promptly bring the actual or potential Conflict of Interest to the attention of the Board for action at the next regular meeting of the Board, or during a special meeting called specifically to review the actual or potential Conflict of Interest 3 Conflicts involving all other Covered Persons The CEO shall serve as the Designated Reviewing Official and shall be responsible for reviewing the actual or potential Conflict of Interest UNMC Physicians shall refrain from acting upon any transaction involving an actual or potential Conflict of Interest until such time as the actual or potential Conflict of Interest has been reviewed and final resolution (i e , approved, denied, and/or proposed an alternative arrangement) has been determined through the applicable process described below 1 Conflicts involving Board members or Members of Board Committees A) The Covered Person shall have an opportunity and must be available to provide factual information about the actual or potential Conflict of Interest B) The Covered Person shall not participate in any way in, or be present during, the deliberations and decision-making vote with respect to such actual or potential Conflict of Interest C) The disinterested members of the Board shall consider whether the terms of the actual or potential Conflict of Interest are fair and reasonable to UNMC Physicians and shall vote to determine final resolution D)Final resolution of the arrangement by the disinterested members of the Board shall be by vote of a majority of directors in attendance at a meeting at which a quorum is present A Covered Person shall not be counted for purposes of determining whether a quorum is present, nor for purposes of determining what constitutes a majority vote of Board members in attendance 2 Conflicts involving CEO, CFO, COO A)The Covered Person shall have an opportunity and must be available to provide factual information about the actual or potential Conflict of Interest B)The Covered Person shall not participate in any way in, or be present during, the deliberations and decision-making vote with respect to the actual or potential Conflict of Interest C)The Chairman shall bring actual or potential Conflicts of Interest to the attention of the Board for action Members of the Board shall consider whether the terms of the actual or potential Conflict of Interest are fair and reasonable to UNMC Physicians and shall vote to determine final resolution D)Final resolution of the actual or potential Conflict of Interest by the disinterested members of the Board shall be by vote of a majority of directors in attendance at a meeting at which a quorum is present 3 Conflicts involving all other Covered Persons A) The Covered Person shall have an opportunity and must be available to provide factual information about the actual or potential Conflict of Interest B) The Covered Person shall not participate in any way in, or be present during, the deliberations and decision-making vote with respect to such actual or potential Conflict of Interest C) The CEO shall be responsible for reviewing and determining final resolution of actual or potential Conflicts of Interest All results shall be reported to the Chairman who may then determine whether any further board review or action is necessary

Identifier	Return Reference	Explanation
POLICIES - COMPENSATION	PART VI, SECTION B, QUESTION 15A & 15B	The Compensation Committee for accepting/revising/rejecting executive compensation is comprised of 1 the Chair of the Board of Directors of UNMC Physicians ("Board"), 2 Vice Chancellor for Business and Finance of the University of Nebraska Medical Center (UNMC) who shall serve as the Committee Chair (Committee Chair), 3 two members who are not employees of UNMC Physicians These two members shall be appointed by the Committee Chair and are subject to approval of Board, and 4 three Board members, who are chairs of clinical departments The Compensation Committee reviews all proposed compensation All compensation submitted for review must be supported by appropriate documentation, including but not limited to comparability data (i e , Association of American Medical Colleges (AAMC)) relevant for the occupation and Corporation position The Compensation Committee shall ensure, when reviewing and approving all compensation (subject to the Compensation Committee Policy and Procedure) that its review and approval qualifies for the rebuttable presumption of reasonableness under the Intermediate Sanctions regulations (26 C F R 53 4958-6, as amended) To ensure such compliance, the Compensation Committee shall 1 ensure that no conflict of interest is present with Compensation Committee members present, 2 receive and rely upon appropriate data as to comparability from internal or external resources prior to making its determination, and 3 document the basis for its determination of reasonableness concurrently with making that determination Such documentation shall include a) the terms of the arrangement that was approved and the date it was approved, b) the members of the Compensation Committee who were present and those who voted on it (Quorum is required for any approval), c) the comparability data obtained and relied upon by the Compensation Committee and how such material was obtained, and d) the action(s) taken by the Compensation Committee

Identifier	Return Reference	Explanation
GOVERNANCE, MANAGEMENT, AND DISCLOSURE	Form 990, Part VI, Line 19	Governing documents, Conflict of Interest policy, and audited financial statements are available to the public upon request in the administration offices

Identifier	Return Reference	Explanation
GOVERNANCE, MANAGEMENT, AND DISCLOSURE	PART VI, LINE 11B	The Form 990 is initially reviewed in detail by the Finance and Audit committees of the Board of Directors, with executive management and independent tax specialists present to assist with the review The Committees' role is to thoroughly understand the Form 990 contents and to report to the full board of directors the results of its review The review with the full Board of Directors is conducted prior to the filing of the Form 990 with the IRS The Form 990 is sent to each Director of the Board one week prior to the Board Meeting at which the Form 990 will be reviewed and reported upon by the Committees

Identifier	Return Reference	Explanation
IDENTIFICATION OF RELATED TAX-EXEMPT ORGANIZATIONS	SCHEDULE R, PART II	UNIVERSITY OF NEBRASKA MEDICAL CENTER IS A PART OF THE UNIVERSITY OF NEBRASKA GOVERNED BY THE BOARD OF REGENTS

Identifier	Return Reference	Explanation
GOVERNANCE, MANAGEMENT, AND DISCLOSURE	PART VI, SECTION A, LINE 6	The Corporation's Bylaws and Articles of Incorporation provide that all full time, part time and volunteer faculty members of the University of Nebraska College of Medicine who provide professional clinical healthcare services and have a separate employment arrangement with Corporation are deemed members of the Corporation Each full time member is entitled to one vote on any matter submitted to a vote of the members

Identifier	Return Reference	Explanation
GOVERNANCE, MANAGEMENT, AND DISCLOSURE	PART VI, SECTION A, LINE 7A	Four director seats on the board of directors shall be filled by and elected by the full time members of the corporation

Identifier	Return Reference	Explanation
GOVERNANCE, MANAGEMENT, AND DISCLOSURE	PART VI, SECTION A, LINE 7B	The Board of Regents of the University of Nebraska (Board of Regents), is a public corporate body organized and existing under the Constitution and laws of the State of Nebraska The Corporation exists under the provisions of the medical service plan as adopted by the Board of Regents Therefore, certain actions taken by the Corporation require approval by the Board of RegentS In addition, certain matters taken up by the Corporation's Board of Directors may require member approval

Identifier	Return Reference	Explanation
RECONCILIATION OF NET ASSETS	990, PART XI, LINE 5	UNREALIZED GAIN ON INVESTMENT 6,213,790

Identifier	Return Reference	Explanation
GOVERNANCE, MANAGEMENT, AND DISCLOSURE	PART VI, SECTION A, LINE 2	CARL V SMITH AND MICHAEL SITORIUS HAVE A BOARD RELATIONSHIP

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" 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
UNMC Physicians

Employer identification number
47-0785575

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) UNIVERSITY OF NEBRASKA MEDICAL CENTER 986800 NEBRASKA MEDICAL CENTER OMAHA, NE 68198 47-0049123	EDUCATION	NE	GOVT	N/A	NA		

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

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

		Yes	No
1	During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a	Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	**1a**		**No**
b	Gift, grant, or capital contribution to other organization(s)	**1b**	**Yes**	
c	Gift, grant, or capital contribution from other organization(s)	**1c**	**Yes**	
d	Loans or loan guarantees to or for other organization(s)	**1d**		**No**
e	Loans or loan guarantees by other organization(s)	**1e**		**No**
f	Sale of assets to other organization(s)	**1f**		**No**
g	Purchase of assets from other organization(s)	**1g**		**No**
h	Exchange of assets	**1h**		**No**
i	Lease of facilities, equipment, or other assets to other organization(s)	**1i**	**Yes**	
j	Lease of facilities, equipment, or other assets from other organization(s)	**1j**	**Yes**	
k	Performance of services or membership or fundraising solicitations for other organization(s)	**1k**		**No**
l	Performance of services or membership or fundraising solicitations by other organization(s)	**1l**	**Yes**	
m	Sharing of facilities, equipment, mailing lists, or other assets	**1m**	**Yes**	
n	Sharing of paid employees	**1n**	**Yes**	
o	Reimbursement paid to other organization for expenses	**1o**	**Yes**	
p	Reimbursement paid by other organization for expenses	**1p**	**Yes**	
q	Other transfer of cash or property to other organization(s)	**1q**	**Yes**	
r	Other transfer of cash or property from other organization(s)	**1r**		**No**

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization See instructions regarding exclusion for certain investment partnerships

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproprtionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

KPMG

UNMC PHYSICIANS

Financial Statements

June 30, 2011 and 2010

(With Independent Auditors' Report Thereon)

KPMG LLP
Suite 1501
222 South 15th Street
Omaha, NE 68102-1610

Suite 1600
233 South 13th Street
Lincoln, NE 68508-2041

Independent Auditors' Report

The Board of Directors
UNMC Physicians
Omaha, Nebraska:

We have audited the accompanying balance sheets of UNMC Physicians, a component unit of the University of Nebraska, as of June 30, 2011 and 2010, and the related statements of revenues, expenses, and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of UNMC Physicians' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of UNMC Physicians' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of UNMC Physicians as of June 30, 2011 and 2010, and the results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

The supplementary management's discussion and analysis on pages 2 through 6 is not a required part of the basic financial statements of UNMC Physicians, but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

KPMG LLP

Omaha, Nebraska
September 9, 2011

UNMC PHYSICIANS

Management's Discussion and Analysis

June 30, 2011 and 2010

As management of UNMC Physicians, we offer readers of the financial statements this narrative overview and analysis of the financial activities of UNMC Physicians.

The financial statements presented consist of the balance sheets, the statements of revenues, expenses, and changes in net assets, and the statements of cash flows. The notes to the financial statements are an integral part of the financial statements.

A. The Balance Sheets, which provide a view of the financial assets, liabilities, and net assets at June 30, 2011 and 2010:

Cash and cash equivalents increased by $7.6 million or 46% from $16.2 million in 2010 to $23.8 million in 2011 and decreased by $10.8 million or 40% from $27.1 million in 2009 to $16.2 million in 2010. The net increase from 2010 to 2011 was driven by increases in patient service revenue, other revenue and timing of transfers to the University of Nebraska Medical Center (UNMC). The net decrease from 2009 to 2010 was related to increases in transfers to UNMC, partially offset by patient service revenues. Please refer to the Statements of Cash Flows, as well as the discussion of the Statements of Cash Flows in Section C that follows.

Patient accounts receivable decreased by $3.0 million from $27.7 million at the end of 2010 to $24.7 million at the end of 2011. The decrease is attributable to a decrease in days in accounts receivable from 44.3 days in 2010 to 40.4 days in 2011. The decrease in days in accounts receivable is primarily due to increased collections, patient discounts, bad debt and write-offs.. During 2010, patient accounts receivable increased by $0.6 million from $27.1 million in 2009 to $27.7 million at the end of 2010. The increase in 2010 was attributable to increased revenues and an increase in days in accounts receivable from 41.2 days in 2009 to 44.3 days in 2010. Additionally, the allowance for doubtful accounts was increased at the end of 2011 and 2010 to establish additional reserves for slowing payments from patients.

Investments increased by $5.7 million from $37.1 million at the end of 2010 to $42.8 million at the end of 2011. This increase was mainly attributable to overall positive equity and bond market performance during 2011. During the fiscal year ended 2010, investments increased by $2.1 million from $35.0 million at the end of 2009 to $37.1 million at the end of 2010 due to an overall positive equity and bond market performance during 2010, additional purchases, and partially offset by losses on the prorata share of the losses from the investment in the Bellevue Medical Center. Please refer to the Notes to the Financial Statements for a more detailed view of investments.

Net capital assets increased by $0.7 million from 2010 to 2011 mainly due to the completion of the Midtown Clinic relocation project, partially offset by annual depreciation. The construction in progress balances were transferred to lease hold improvements during 2011 for Bellevue Medical Office Building, the Durham Outpatient Centers Clinics and West Village Pointe Medical Office Building. See note 6 for further information. During 2010, total capital assets increased over 2009 by $6.3 million due to the completion of the three projects noted, including associated furniture, medical equipment, and office equipment.

Current liabilities increased by $4.5 million in 2011 from $32.2 million at June 30, 2010 to $36.7 million at June 30, 2011. The increase was mainly attributable to an increase in accrued expenses of $3.6 million attributable to an estimated sales tax liability. In addition, the accounts payable to UNMC dropped in 2011 due to the timing of year end 2010 invoices for services. Fees payable increased from 2010 due to timing

(Continued)

of transfers to UNMC. Current liabilities decreased by $4.9 million in 2010 from $37.1 million at June 30, 2009 to $32.2 million at June 30, 2010. The decrease was mainly attributable to a decrease in the fees payable to UNMC during 2010 due to the timing of payments, and a decrease in accrued payroll expenses of $1.1 million attributable to reduced bonus accruals. Accounts payable to UNMC are trade payables and are discussed in further detail in note 11 to the Financial Statements.

UNMC Physicians entered into a $5 million, 10-year gift agreement with the University of Nebraska Foundation in order to support the construction and equipping of the Sorrell Center for Health Sciences Education facility on the campus of UNMC. The liability remaining at June 30, 2011 was $2.4 million, of which $625 thousand is recorded as a current liability, due and payable in fiscal year 2012, and $1.8 million is recorded as a long-term liability, due and payable in equal quarterly installments between June 30, 2012 and 2015.

B. The Statements of Revenues, Expenses, and Changes in Net Assets for the years ended June 30, 2011 and 2010:

Results of Operating Activities

Net patient service revenue increased by $6.4 million, or 4.5%, from $142.8 million in 2010 to $149.2 million in 2011. The increase is attributable to $7.1 million of additional revenue associated with a program that provides enhanced Medicaid reimbursement to UNMC College of Medicine faculty practicing medicine at UNMC Physicians. UNMC Physicians has developed and implemented a strategy to increase reimbursement to UNMC physician faculty for care provided to Medicaid recipients. CMS rules permit states to set fee schedules. State Medicaid programs are funded 60% by the federal government and 40% by state government. Since state budgets must fund the 40%, opportunities to increase rates are rare. Similar to what has been done in other states; UNMC has worked with the Nebraska Department of Health and Human Services (DHHS) to develop a physician upper payment limit (UPL) program to provide higher reimbursement to its physicians at both UNMC Physicians and Children's Specialty Physicians (CSP). In addition, there was an increase in revenue driven by a slight overall increase in clinical programs of 1%. Net patient service revenue increased by $6.9 million, or 5%, from $135.9 million in 2009 to $142.8 million in 2010. The increase is primarily related to continued growth of clinical programs and improved contractual relationships with various nongovernment insurance payers. Other contractual revenue includes revenue for professional services, including medical direction, and clinical and program support and shortfalls. This increased in 2011 by $4.6 million or 9.7%. Total Operating Revenue increased from $189.9 million in 2010 to $200.9 million in 2011, driven by net patient service revenues and other contractual revenue, total operating revenue increased by $13 million, or 7.3% from $176.9 million in 2009 to $189.9 million in 2010.

Operating expenses in 2011 were $167.1 million compared to $157.1 million in 2010, an increase of $10 million or 6.4%. Operating expenses represented 83.2% of total operating revenues in 2011 versus 82.7% in 2010. Note 13 to the Financial Statements presents a more detailed view of operating expenses. The net increase in operating expenses from 2010 to 2011 was mainly attributable to increased physician and staff compensation and benefits. In addition, other expense increases are attributable to charitable donations associated with the Nebraska upper payment limit arrangement, increases in drugs and operating supplies, operating leases and sales tax expense, offset by decreases in contracted physician services related to the reduced number of doctors leased from CSP. Operating expenses in 2010 were

$157.1 million compared with $151.6 million in 2009. The net increase in operating expenses was attributable to increased contracted physician services due to the leasing of pediatric physicians from CSP, increased physician and clinic salaries and benefits for additional staff and decreased position vacancies due to lower staff turnover, offset by decreases in contracted services, and laboratory and medical supplies due to the transfer of the infusion center to The Nebraska Medical Center (TNMC) at the end of 2009.

Operating Income totaled $33.8 million in 2011, or 16.8% of total operating revenues, compared with $32.8 million in 2010, or 17.3% of total operating revenues. The increase is attributable to increased patient service revenue and other contractual revenue, partially offset by increases in operating expenses during 2011. Operating income for 2010 increased over 2009 by $7.5 million due to increased revenue during 2010 and leveraging existing operating resources.

Results of Nonoperating Activities

UNMC Physicians experienced a nonoperating investment gain on investments of $6.2 million in 2011 compared with $3.4 million in 2010. The gains and losses during 2011 and 2010 are directly related to changes in the economic conditions and performance in the financial markets.

In addition, during 2010, UNMC Physicians recorded a nonoperating investment loss for its share of the losses at the Bellevue Medical Center during its first months of operation. No profits or losses were recorded in 2011 for UNMC Physician's investment as it is currently recorded, using the equity method and is carried at a zero value.

During 2011, 2010, and 2009, in accordance with the Medical Service Plan, UNMC Physicians transferred $9.7 million, $9.5 million, and $8.5 million, respectively, to the College of Medicine for the Dean's Development Fund and Department Development Funds, which are included under Operating Expenses. Nonoperating expenses include additional transfers in 2011, 2010, and 2009 of $30.0 million, $31.2 million, and $19.5 million, respectively, to UNMC for continuing support of the academic and clinical mission at UNMC. Please refer to notes 4 and 11 to Financial Statements for further information.

Excess revenue over expenses, before a special item in 2009, was $12.1 million for 2011 compared with $5.1 million for 2010 and $981 thousand for 2009.

At the end of 2009, UNMC Physicians recorded a special item in its financial statements to account for a one-time commitment to UNMC related to UNMC's commitment to the formation of CSP. The amount of this gift was $1 million.

C. Statements of Cash Flows:

UNMC Physicians experienced positive cash flows from operations of $37.1 million, $28.7 million, and $26.9 million from operating activities during 2011, 2010, and 2009, respectively. Cash flows used in noncapital financing related activities decreased $7.2 million from $33.4 million in 2010 to $26.2 million in 2011. Cash used in noncapital financing related activities in 2009 was $8.9 million. The net decrease from 2010 to 2011 and increase from 2009 to 2010 are attributable mainly to changes in cash transfers to UNMC. The basis for the transfers to UNMC is discussed in Notes 4 and 11 to the Financial Statements.

UNMC Physicians spent $4.4 million in 2011 for the purchase of capital assets compared with $6.2 million in 2010 and $5.3 million in 2009. Capital spending over the past three fiscal years is directly related to office relocations, facility renovations, and clinic expansion to accommodate growth including Bellevue Medical Office Building, West Village Pointe Medical Office Building, Midtown Clinic and Durham Outpatient Center. Additionally, UNMC Physicians received cash from investing activities of $934 thousand during 2011 and invested net cash of $88 thousand during 2010, and $464 thousand during 2009 in various long-term securities and other investments.

D. Condensed financial information as of and for the years ended June 30, 2011, 2010, and 2009:

	2011	2010	2009
Current assets	$ 65,099,779	55,397,601	60,489,324
Noncurrent assets	68,099,331	61,710,354	54,789,826
Total assets	$ 133,199,110	117,107,955	115,279,150
Current liabilities	$ 36,732,424	32,240,547	37,086,065
Noncurrent liabilities	5,785,716	6,333,373	4,788,310
Total liabilities	42,518,140	38,573,920	41,874,375
Invested in capital assets	22,241,147	21,562,125	16,786,819
Unrestricted net assets	68,439,823	56,971,910	56,617,956
Total net assets	90,680,970	78,534,035	73,404,775
Total liabilities and net assets	$ 133,199,110	117,107,955	115,279,150
Operating revenues	$ 200,938,187	189,906,396	176,870,560
Operating expenses	167,147,596	157,116,233	151,555,067
Operating income	33,790,591	32,790,163	25,315,493
Nonoperating expenses, net	(21,643,656)	(27,660,903)	(24,334,059)
Excess of revenues over expenses	12,146,935	5,129,260	981,434
Special item	—	—	(1,033,817)
Excess (deficiency) of revenues over expenses	$ 12,146,935	5,129,260	(52,383)

E. Notes to the Financial Statements:

The notes to the financial statements are an integral part of the report and include information not necessarily evident in the statements themselves. These notes describe accounting policies followed by

(Continued)

UNMC Physicians and also contain historical comparisons and other information that are useful when evaluating the financial health of UNMC Physicians.

F. Other:

This table summarizes comparative data elements considered relevant when considering accounts receivable management:

	June 30, 2011	June 30, 2010	June 30, 2009
Days in accounts receivable	40.4	44.3	41.2
Net collection ratio	94.4%	94.1%	94.2%

G. Contact Information:

If you have any questions about this report or need additional information, contact Cory Shaw, Chief Executive Officer, or Troy Wilhelm, Chief Financial Officer, at 988101 Nebraska Medical Center, Omaha, NE 68198-8101

UNMC PHYSICIANS

Balance Sheets

June 30, 2011 and 2010

Assets	2011	2010
Current assets:		
Cash and cash equivalents	$ 23,798,953	16,247,784
Patient accounts receivable, net of allowance for doubtful accounts of approximately $6,371,500 in 2011 and $5,061,300 in 2010	24,677,266	27,716,644
Receivable from University of Nebraska Medical Center	407,727	2,802,534
Receivable from The Nebraska Medical Center	8,979,011	5,344,672
Prepaid expenses	612,408	522,565
Other accounts receivable	5,800.069	1,883,744
Other assets	824,345	879,658
Total current assets	65,099,779	55,397,601
Investments	42,814,384	37,104,429
Capital assets:		
Land and land improvements	2,358,686	2,358,686
Buildings	4,416,180	4,416,180
Office equipment	3,239,649	2,759,378
Computer equipment	8,395,097	7,731,593
Medical equipment	4,553,015	3,808,372
Leasehold improvements	12,897,448	6,604,066
Construction in process	—	5,568,848
	35,860,075	33,247,123
Less accumulated depreciation	(13,618,928)	(11,684,998)
Capital assets, net	22,241,147	21,562,125
Land held for future expansion	3,043,800	3,043,800
Total assets	$ 133,199,110	117,107,955
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$ 5,432,330	3,721,686
Accrued expenses	18,637,456	15,077,598
Accounts payable to University of Nebraska Medical Center	2,092,770	4,752,402
Fees payable to University of Nebraska Medical Center	9,699,868	7,193,239
UNMC payable – CSP	—	945,622
Reserve for self-insurance	870,000	550,000
Total current liabilities	36,732,424	32,240,547
Long-term liabilities:		
Education building commitment	1,750,000	2,000,000
Reserve for self-insurance	4,035,716	4,333,373
Total liabilities	42,518,140	38,573,920
Net assets:		
Invested in capital assets	22,241,147	21,562,125
Unrestricted	68,439,823	56,971,910
Total net assets	90,680,970	78,534,035
Total liabilities and net assets	$ 133,199,110	117,107,955

See accompanying notes to financial statements.

UNMC PHYSICIANS

Statements of Revenues, Expenses, and Changes in Net Assets

Years ended June 30, 2011 and 2010

	2011	2010
Operating revenues:		
Net patient service revenue (net of provision for bad debts of approximately $10,233,000 in 2011 and $8,256,000 in 2010)	$ 149,237,994	142,807,417
Other contractual revenue	51,700,193	47,098,979
Total operating revenues	200,938,187	189,906,396
Operating expenses:		
Salaries and benefits	120,828,111	112,913,065
Dean and department development funds	10,184,367	9,450,170
Purchased services, supplies, and other	29,679,117	29,590,067
Occupancy costs	4,387,599	3,664,872
Depreciation	2,068,402	1,498,059
Total operating expenses	167,147,596	157,116,233
Operating income	33,790,591	32,790,163
Nonoperating revenues (expenses):		
Transfers to University of Nebraska Medical Center	(30,044,103)	(31,171,955)
Interest and investment income	430,515	403,495
Realized and unrealized gains and losses on investments	6,213,790	3,397,760
Equity in losses of joint venture	—	(1,743,803)
Other revenue	1,756,142	1,453,600
Total nonoperating expenses, net	(21,643,656)	(27,660,903)
Excess of revenues over expenses	12,146,935	5,129,260
Net assets, beginning of year	78,534,035	73,404,775
Net assets, end of year	$ 90,680,970	78,534,035

See accompanying notes to financial statements.

UNMC PHYSICIANS

Statements of Cash Flows

Years ended June 30, 2011 and 2010

	2011	2010
Cash flows from operating activities.		
Cash received from providing professional medical services	$ 152,277,372	142,807,417
Cash received from other contractual revenue	46,599,648	42,447,481
Cash paid to physicians and employees	(119,981,182)	(114,054,274)
Cash paid to deans and departments	(9,745,527)	(9,465,021)
Cash paid to suppliers and others	(32,033,121)	(33,051,121)
Net cash provided by operating activities	37,117,190	28,684,482
Cash flows from noncapital financing activities:		
Other revenue	1,756,142	1,453,600
Transfers to University of Nebraska Medical Center	(27,916,871)	(34,847,066)
Net cash used in noncapital financing activities	(26,160,729)	(33,393,466)
Cash flows from capital and related financing activities:		
Purchases of capital assets	(4,384,539)	(6,212,891)
Loss on sale of capital assets	44,897	154,157
Net cash used in capital and related financing activities	(4,339,642)	(6,058,734)
Cash flows from investing activities:		
Interest and dividends received on investments	430,515	403,495
Purchases of investments	(454,353)	(1,917,236)
Sales of investments	958,188	1,425,971
Net cash provided by (used in) investing activities	934,350	(87,770)
Net increase (decrease) in cash and cash equivalents	7,551,169	(10,855,488)
Cash and cash equivalents at beginning of year	16,247,784	27,103,272
Cash and cash equivalents at end of year	$ 23,798,953	16,247,784
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 33,790,591	32,790,163
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,068,401	1,498,059
Provision for bad debts	10,233,178	8,256,269
Changes in assets and liabilities:		
Patient accounts receivable	(7,193,800)	(8,852,253)
Receivable from University of Nebraska Medical Center	2,394,807	(2,243,683)
Receivable from The Nebraska Medical Center	(3,634,339)	(1,527,034)
Prepaid expenses	(89,843)	(444,673)
Other accounts receivable	(3,916,325)	(1,523,690)
Other assets	55,313	571,299
Accounts payable	1,710,644	432,958
Accrued expenses	3,559,858	(1,104,811)
Accounts payable to University of Nebraska Medical Center	(1,067,413)	119,451
Fees payable to University of Nebraska Medical Center	379,397	(94,441)
UNMC payable – CSP	(945,622)	(88,195)
Education building commitment	(250,000)	(500,000)
Reserve for self-insurance	22,343	1,395,063
Net cash provided by operating activities	$ 37,117,190	28,684,482

See accompanying notes to financial statements.

(1) Summary of Significant Accounting Policies

(a) Nature of Organization

UNMC Physicians is a Nebraska nonprofit corporation established by the University of Nebraska to provide a vehicle for the faculty of the College of Medicine of the University of Nebraska to develop an integrated practice for management of the clinical practice activities. UNMC Physicians consists of clinical departments, responsible for the delivery of medical care to patients, and administrative departments, responsible for administrative services overseeing quality, risk, clinical operations, regulatory compliance, human resource management, financial oversight, and the billing, collecting, and distribution of medical service fees generated by member clinicians through clinical activities. The clinical departments are made up of member clinicians. The distribution of medical service fees to the member clinicians is governed by the terms of the University of Nebraska Medical Service Plan applicable to the member clinicians. Under Governmental Accounting Standards Board (GASB) Statement No. 14, UNMC Physicians is reported as a component unit of the University of Nebraska.

(b) Basis of Accounting

The financial statements are prepared on the economic resources measurement focus and the accrual basis of accounting and in accordance with pronouncements issued by GASB.

Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting, as amended*, UNMC Physicians has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board, including those issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

(c) Use of Estimates

The preparation of financial statements in conformity with U.S. 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

Cash and cash equivalents include demand accounts and money market securities with original maturities of three months or less.

(e) Investments

Investments in equity securities with readily determined fair values and all investments in debt securities are measured at fair value in the accompanying balance sheets. Interest, dividends, gains, and losses, both realized and unrealized, are included in nonoperating revenues (expenses) when earned. Alternative investments are valued at net asset value as a practical expedient to estimated fair value. The estimated values as determined by the general manager and investment managers may

(Continued)

differ significantly from the values that would have been used had ready markets for the investments existed.

UNMC Physicians has also invested in a joint venture and has accounted for such investment using the equity method of accounting. UNMC Physician's investment in its joint venture is zero at June 30, 2011 and 2010 as losses in the joint venture exceed contributions and there are no additional mandatory capital contributions.

(f) Net Patient Service Revenue

UNMC Physicians has agreements with third-party payers that provide for payments to UNMC Physicians at amounts different from its established rates. Net patient service revenue is reported at the net realizable amounts from patients, third-party payers, and others for services rendered.

(g) Other Contractual Revenue

UNMC Physicians' has agreements with The Nebraska Medical Center (TNMC), University of Nebraska Medical Center (UNMC), Veterans Hospital (VA), and others to provide professional services and medical direction. UNMC Physicians also has agreements with TNMC, Methodist Hospital, Children's Hospital and others that provide support for clinical programs. Other contractual revenue is reported at the net realizable amounts for services rendered.

(h) Operating Revenues and Expenses

UNMC Physicians' statements of revenues, expenses, and changes in net assets distinguish between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services – UNMC Physicians' principal activity. Nonexchange revenues are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

(i) Capital Assets

Capital assets are stated at historical cost. It is UNMC Physicians' policy to capitalize purchases of capital assets that are greater than $5,000 at the clinics and $1,000 in all other operating departments. These assets are depreciated using straight-line and accelerated methods over their estimated useful lives of five to fifteen years.

Land held for future expansion is valued at historic cost and tested annually for impairment.

(j) Income Taxes

UNMC Physicians has been recognized as a not-for-profit organization by the Internal Revenue Service as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and, accordingly, is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code.

(k) Charity Care

UNMC Physicians provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because UNMC Physicians does not

pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The amount of charges foregone for services and supplies furnished under UNMC Physicians' charity care policy was approximately $5,690,000 and $5,604,000 for the years ended June 30, 2011 and 2010, respectively.

(l) Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, patient accounts receivable, receivable from University of Nebraska Medical Center (UNMC), receivable from The Nebraska Medical Center, assets limited as to use, investments, accounts payable, accrued expenses, accounts payable to University of Nebraska Medical Center, fees payable to University of Nebraska Medical Center and UNMC payable – NPPI approximate fair value.

(2) Investments

Investments and deposits at June 30, 2011 and 2010 consist of the following:

	2011	
	Original cost	**Fair value/ stated value**
Investments, at fair value:		
Equity securities	$ 18,292,331	19,287,842
Investments, at net asset value	18,266,399	23,526,542
Investment in Bellevue Medical Center (equity method)	1,800,000	—
Total investments	$ 38,358,730	42,814,384

	2010	
	Original cost	**Fair value/ stated value**
Investments, at fair value:		
Equity securities	$ 16,995,964	17,110,905
Investments, at net asset value	16,952,700	19,993,524
Investment in Bellevue Medical Center (equity method)	1,800,000	—
Total investments	$ 35,748,664	37,104,429

Credit Risk – UNMC Physicians has an investment policy that limits its investment choices. As of June 30, 2011 and 2010, UNMC Physicians' investments are not rated.

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, UNMC Physicians' deposits may not be returned to it. UNMC Physicians does not have a deposit policy for custodial credit risk. As of June 30, 2011 and 2010, $26,623,135 and $23,233,276, respectively, of

UNMC Physicians' bank balance of $26,373,135 and $22,983,276, respectively, was uninsured and uncollateralized.

Concentration of Credit Risk – UNMC Physicians places no limits on the amount it may invest in any one company. UNMC Physicians has invested in the following securities, which represent more than 5% of total investments at June 30, 2011 and 2010:

	2011	2010
MGA Diversified Core Equity LLC	8.8%	7.9%
NTGI Common Daily Aggregate Bond Index Fund	9.6	11.4
NTCC International Securities Fund	5.6	5.4
NTCC Large Capital Fund	8.9	11.4

(3) Pension Plans

UNMC Physicians sponsors a defined contribution money purchase pension plan. This plan covers substantially all employees who meet age and length of service requirements of the plans. The plan is funded through UNMC Physicians and contributions are based upon a fixed percentage of the employees' salaries. Total pension expense was $10,620,256 and $10,444,412 for the years ended June 30, 2011 and 2010, respectively.

(4) Fees Payable to University of Nebraska Medical Center

For the years ended June 30, 2011 and 2010, approximately 6.5%, of clinic net collections from patients by UNMC Physicians are distributed monthly to the dean's and departments' development accounts. Total amounts expensed to the dean were $5,340,880 and $4,995,592 for the years ended June 30, 2011 and 2010, respectively. Amounts expensed to the department development accounts were $4,843,487 and $4,454,578 for the years ended June 30, 2011 and 2010, respectively.

Fees payable to University of Nebraska Medical Center at June 30, 2011 and 2010 consist of the following:

		2011	2010
UNMC Transfer and Payable accounts	$	8,053,841	6,550,907
Dean and Department development account		1,646,027	642,332
	$	9,699,868	7,193,239

(Continued)

(5) Accounts Receivable and Payable

Patient accounts receivable and accounts payable (including accrued expenses) reported as current assets and liabilities by UNMC Physicians at June 30, 2011 and 2010 consisted of the following amounts:

Patient accounts receivable		2011	2010
Receivable from patients and their insurance carriers	$	27,273,441	28,713,903
Receivable from Medicare		1,973,386	2,280,704
Receivable from Medicaid		1,801,959	1,783,295
Total accounts receivable		31,048,786	32,777,902
Less allowance for uncollectible amounts		6,371,520	5,061,258
Patient accounts receivable, net	$	24,677,266	27,716,644

Accounts payable and accrued expenses		2011	2010
Payable to employees (including payroll taxes)	$	15,962,456	15,077,598
Payable to suppliers and others		6,951,260	2,622,169
Payable to patients		1,156,070	1,099,517
Total accounts payable and accrued expenses	$	24,069,786	18,799,284

(Continued)

(6) Capital Assets

Capital assets additions, retirements, and balances for the years ended June 30, 2011 and 2010 were as follows:

	Balance June 30, 2010	Additions	Retirements	Balance June 30, 2011
Land and land improvements	$ 2,358,686	—	—	2,358,686
Building	4,416,180	—	—	4,416,180
Office equipment	2,759,378	488,022	(7,751)	3,239,649
Computer equipment	7,731,593	663,504	—	8,395,097
Medical equipment	3,808,372	916,261	(171,618)	4,553,015
Leasehold improvements	6,604,066	6,293,382	—	12,897,448
Construction in process	5,568,848	(5,568,848)	—	—
Total at historical cost	33,247,123	2,792,321	(179,369)	35,860,075
Less accumulated depreciation:				
Office equipment	1,470,887	179,677	1,292	1,649,272
Building	164,801	110,405	—	275,206
Computer equipment	6,962,588	479,499	—	7,442,087
Medical equipment	1,588,728	405,962	133,180	1,861,510
Land improvements	300,209	81,949	—	382,158
Leasehold improvements	1,197,785	810,910	—	2,008,695
Total accumulated depreciation	11,684,998	2,068,402	134,472	13,618,928
Capital assets, net	$ 21,562,125	723,919	(44,897)	22,241,147

(Continued)

	Balance June 30, 2009	Additions	Retirements	Balance June 30, 2010
Land and land improvements	$ 2,358,686	—	—	2,358,686
Building	4,392,011	24,169	—	4,416,180
Office equipment	2,514,696	255,961	(11,279)	2,759,378
Computer equipment	7,281,980	487,113	(37,500)	7,731,593
Medical equipment	2,972,780	841,702	(6,110)	3,808,372
Leasehold improvements	5,072,574	1,630,760	(99,268)	6,604,066
Construction in process	2,381,031	3,187,817	—	5,568,848
Total at historical cost	26,973,758	6,427,522	(154,157)	33,247,123
Less accumulated depreciation:				
Office equipment	1,333,191	137,696	—	1,470,887
Building	54,900	109,901		164,801
Computer equipment	6,600,420	362,168	—	6,962,588
Medical equipment	1,228,649	360,079	—	1,588,728
Land improvements	218,260	81,949	—	300,209
Leasehold improvements	751,519	446,266	—	1,197,785
Total accumulated depreciation	10,186,939	1,498,059	—	11,684,998
Capital assets, net	$ 16,786,819	4,929,463	(154,157)	21,562,125

(7) Self-Insurance

UNMC Physicians maintains professional liability insurance through self-insurance and a third-party insurer. For claims filed inside the state of Nebraska, the commercial insurance provides coverage limits of $500,000 for each medical malpractice claim, or $1 million in the aggregate, with the Nebraska State Excess Liability Fund providing coverage from $500,000 to $1,750,000 for each medical malpractice claim. For claims filed outside the state of Nebraska, the commercial insurance provides coverage limits of $1 million per claim, or $3 million in the aggregate and an excess limit of $1 million per claim, or $1 million in the aggregate. Under the commercial insurance policy, UNMC Physicians is subject to a deductible of $250,000 per claim or $1,250,000 in the aggregate. In connection with UNMC Physicians' self-insured portion, which would include incurred but not reported claims, a reserve is maintained of $4,905,716 and $4,883,373 at June 30, 2011 and 2010, respectively. Based on historical experience and other factors, management believes that no additional reserve for retained risk is necessary at June 30, 2011 and 2010. The change in the balance of the claims liability is as follows:

	Beginning of year liability	Current year claims	Claims paid	End of year liability
Fiscal year 2011	$ 4,883,373	891,938	869,595	4,905,716
Fiscal year 2010	3,488,310	1,993,025	597,962	4,883,373

(Continued)

(8) Leasing Arrangements

UNMC Physicians is obligated under several noncancelable operating leases primarily for office space and expire over the next 5 to 15 years. The leases generally contain renewal options for periods up to five years and require UNMC Physicians to pay all maintenance and insurance. Minimum rental payments under operating leases are recognized on a straight-line basis over the term of the lease. Rental expense for operating leases during the years ended June 30, 2011 and 2010 were $1,996,459 and $1,647,795, respectively. Future minimum lease payment as of June 30, 2011 are as follows:

2012	$ 2,137,866
2013	2,181,975
2014	2,211,435
2015	2,241,186
2016	2,271,245
Thereafter	11,555,376

(9) Net Patient Service Revenue

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

> ***Medicare and Medicaid*** – Services rendered to Medicare and Medicaid program beneficiaries are paid at prospectively determined rates.

Revenue from the Medicare and Medicaid programs accounted for approximately 30% and 13%, respectively, of UNMC Physicians' total net patient service revenue for the year ended 2011, and 29% and 14%, respectively, of UNMC Physicians' total net patient service revenue for the year ended 2010. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates could change by a material amount in the near term.

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

(10) Concentrations of Credit Risk

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

	2011	2010
Medicare	12%	13%
Medicaid	10	10
Commercial	38	39
Self-pay	29	26
Other	11	12
	100%	100%

(11) Related-Party Transactions

UNMC Physicians entered into an Academic Clinical Enterprise Funding Agreement with TNMC to reimburse for costs incurred on behalf of TNMC for management and routine operations of the clinics. Under this agreement, UNMC Physicians has recorded revenues from TNMC of $4,933,155 during 2011 and $4,879,481 during 2010. Additionally, TNMC continues to provide infrastructure support; the value of such support has not been included in the accompanying financial statements. As of June 30, 2011 and 2010, which is recorded in other contractual revenue on the accompanying statements of revenues, expenses and changes in net assets, UNMC Physicians has recorded a receivable in connection with the support agreement of $411,096 and $406,623, respectively, which is included in the receivable from TNMC in the accompanying balance sheets.

UNMC Physicians provided certain professional services to TNMC of approximately $41.3 million and $34.9 million for the years ended June 30, 2011 and 2010. This includes the academic clinical funding agreement noted above. In connection with these activities, UNMC Physicians has also recorded a receivable of $8,567,915 and $4,938,049 for 2011 and 2010, respectively.

UNMC Physicians provided certain operational and support services to UNMC of approximately $1,828,000 and $1,752,000 for the years ended June 30, 2011 and 2010. In connection therewith, UNMC Physicians has also recorded a receivable from UNMC at June 30, 2011 and 2010 for $407,727 and $2,802,534, respectively.

In addition, UNMC provides certain administrative and support services to UNMC Physicians. In connection therewith, UNMC Physicians has recorded a payable to UNMC at June 30, 2011 and 2010 for $2,092,770 and $4,752,402, respectively.

UNMC Physicians transfers funds to UNMC clinical department development accounts for continuing support of the academic and clinical mission at UNMC in addition to the amounts prescribed under the Medical Service Plan. Transfers of $30.0 million and $31.2 million were recorded as nonoperating expense for the years ended June 30, 2011 and 2010, respectively.

(Continued)

(12) Education Building Commitment

An agreement was executed between UNMC Physicians and the University of Nebraska Foundation to establish the "UNMC Physicians Capital Construction Fund." UNMC Physicians has pledged the sum of five million dollars to be paid over a 10-year period. As of June 30, 2011, UNMC Physicians has recorded a payable of $2,375,000 related to their pledge, of which $625,000 is current and recorded in accounts payable to the University of Nebraska Medical Center and $1,750,000 is long term and recorded in education building commitment in the accompanying balance sheets. This fund is to be used annually or otherwise for expenses related to the design, construction, and equipping of the Sorrell Center for Health Science Education facility located on the UNMC campus.

(Continued)

(13) Operating Expenses

The following is a detail listing of UNMC Physicians' operating expenses for the years ended June 30, 2011 and 2010:

	2011	2010
Salaries and benefits:		
Physician salary and benefits	$ 80,195,070	75,576,961
Clinic salary and benefits	24,025,464	21,669,566
Administrative salary and benefits	16,607,577	15,666,538
Total salaries and benefits	120,828,111	112,913,065
Dean and department development funds	10,184,367	9,450,170
Purchased services, supplies, and other:		
Medical supplies/equipment	2,005,086	2,025,360
Medical malpractice expense	2,689,049	3,097,220
Contracted physician services	7,152,860	9,341,825
Laboratory services	2,973,775	2,101,877
Office supplies	715,109	715,707
Maintenance and repairs	1,148,328	1,196,344
Business insurance	251,592	402,889
Professional/consulting fees/marketing	1,160,759	919,980
Contracted services	826,567	1,081,089
Employee development/recognition	189,545	368,871
Donations	2,418,129	447,680
Travel and entertainment	279,908	292,388
Other department/clinic/administrative	7,868,410	7,598,837
Total purchased services, supplies, and other	29,679,117	29,590,067
Occupancy costs:		
Business lease	3,604,335	2,922,231
Utilities	115,216	118,493
Telephone	668,048	624,148
Total occupancy costs	4,387,599	3,664,872
Depreciation	2,068,402	1,498,059
Total operating expenses	$ 167,147,596	157,116,233

(Continued)

(14) Laws and Regulations

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursements for patient services, and Medicare and Medicaid fraud and abuse. Government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that UNMC Physicians is in compliance with fraud and abuse, as well as other applicable government laws and regulations. While no regulatory inquiries have been made which are expected to have a material effect on UNMC Physicians' financial statements, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

(15) Subsequent Events

UNMC Physicians has reviewed subsequent events through September 9, 2011, the date the financial statements were issued, and concluded there were no events or transactions during this period that would require recognition or disclosure in the financial statements other than those already reflected.