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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
SIERRA VISTA REGIONAL HEALTH CENTER INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) 300 EL CAMINO REAL

Room/suite

City or town, state or country, and ZIP + 4
SIERRA VISTA, AZ 85635

D Employer identification number
86-0186064

E Telephone number
(520)417-3911

G Gross receipts $ 99,174,026

F Name and address of principal officer
MARGARET HEPBURN CEO
300 EL CAMINO REAL
SIERRA VISTA,AZ 85635

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 SVRHC ORG

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

L Year of formation 1963

M State of legal domicile AZ

Part I Summary

1 Briefly describe the organization's mission or most significant activities
SIERRA VISTA REGIONAL HEALTH CENTER WILL BE COMMITTED TO CUSTOMER-FOCUSED QUALITY HEALTH CARE THROUGH EXCELLENCE IN PRACTICE, SERVICE, AND LEADERSHIP

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	13
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	11
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	860
6	Total number of volunteers (estimate if necessary)	**6**	141
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	-241,646
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-1,018,766

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	394,315	261,249
9	Program service revenue (Part VIII, line 2g)	97,747,569	97,244,892
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,824,120	1,343,994
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	847,931	-241,646
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	101,813,935	98,608,489
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	13,500	5,500
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)	44,194,980	44,048,407
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)	48,369,360	48,013,433
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	92,577,840	92,067,340
19	Revenue less expenses Subtract line 18 from line 12	9,236,095	6,541,149

		Beginning of Current Year	End of Year
Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	106,188,978	114,139,847
21	Total liabilities (Part X, line 26)	40,985,353	39,990,443
22	Net assets or fund balances Subtract line 21 from line 20	65,203,625	74,149,404

Part II Signature Block

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

Sign Here

▶ Signature of officer — 2012-05-15 Date

▶ BRUCE NORTON SVP/CFO
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 ▶ ERNST & YOUNG US LLP				Firm's EIN ▶
Firm's address ▶ TWO NORTH CENTRAL AVENUE STE 2300 PHOENIX, AZ 85004				Phone no ▶ (602) 322-3000

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

SIERRA VISTA REGIONAL HEALTH CENTER WILL BE COMMITTED TO CUSTOMER-FOCUSED QUALITY HEALTH CARE THROUGH EXCELLENCE IN PRACTICE, SERVICE, AND LEADERSHIP

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 $ 65,225,103 including grants of $ 5,500) (Revenue $ 97,134,258)

SEE SCHEDULE O

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** ▶ $ 65,225,103

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	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts 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		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
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**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *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**	Yes	
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**	Yes	
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	133		
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	860		
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	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b				
c	Enter the amount of reserves on hand	13c				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			14b		

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	13		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	11		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		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		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

			Yes	No
10a	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		No
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		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶ AZ

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 ▶

STEVEN CALABRESE CPA
300 EL CAMINO REAL
Sierra Vista, AZ 85635
(520) 417-3911

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

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

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

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) MARI PETERSON TRUSTEE	4 0	X						270	0	0
(2) RONALD WAGNER TRUSTEE	4 0	X						270	0	0
(3) ANDREA DUNLAP TRUSTEE	4 0	X						135	0	0
(4) JOHN HAUN MD TRUSTEE	4 0	X						270	0	0
(5) DAVID KNAPP MD TRUSTEE	4 0	X						39,128	0	0
(6) SUSAN A WARNE TRUSTEE	4 0	X						270	0	0
(7) WILLIAM MILLER TRUSTEE	4 0	X						270	0	0
(8) HARL PIKE TRUSTEE	4 0	X						270	0	0
(9) ALAN OSUMI MD TRUSTEE	4 0	X						27,010	0	0
(10) RONALD L SCOTT TRUSTEE	4 0	X						0	0	0
(11) LANNY KOPE TRUSTEE/CHAIR	4 0	X		X				1,200	0	0
(12) BRUCE DOCKTER TRUSTEE/VICE CHAIR	4 0	X		X				270	0	0
(13) JOANNA MICHELICH PHD TRUSTEE/SECRETARY	4 0	X		X				270	0	0
(14) JAYAY MADDUR MD MED CHIEF OF STAFF/EX OFFICIO	40 0			X				9,402	0	0
(15) BRUCE NORTON SR VICE PRES , FINANCE	40 0			X				266,034	0	78,263
(16) MARGARET HEPBURN-SVRHC PRESIDENT/CEO - SEE SCH J	40 0			X				130,027	0	19,054

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(17) MARGARET HEPBURN-TERM PRESIDENT/CEO - SEE SCH J	0 0			X				792,940	0	0
(18) MARGARET HEPBURN-RETIRE PRESIDENT/CEO - SEE SCH J	0 0			X				409,763	0	0
(19) MARGARET HEPBURN-PTO PRESIDENT/CEO - SEE SCH J	0 0			X				180,449	0	0
(20) MARGARET HEPBURN-CHN PRESIDENT/CEO - SEE SCH J	0 0			X				383,858	0	0
(21) MARIE WURTH VICE PRESIDENT	40 0				X			192,018	0	37,568
(22) REBECCA MCCALMONT VICE PRESIDENT	40 0				X			171,996	0	53,596
(23) AMY SMITH-FRAZIER CHARGE NURSE	40 0					X		133,983	0	15,655
(24) ANDREA WHITE CLINICAL EDUCATOR	40 0					X		114,110	0	17,260
(25) DAMIEN WHEELER ULTRASOUND SONOGRAPHER	40 0					X		117,967	0	6,653
(26) STEVE CALABRESE CONTROLLER	40 0					X		118,747	0	24,924
(27) HERIBERTO CAMPAS RIS/PACS COORDINATOR	40 0					X		114,505	0	30,078
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								3,205,432	0	283,051

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 ▶ 13

			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**	Yes	

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
ARAMARK CORPORATION 24863 NETWORK PLACE CHICAGO, IL 60673	BIO MED/MGT CONTRACT	3,048,517
COMPREHENSIVE PHARMACY PO BOX 1000 DEPT 176 MEMPHIS, TN 38148	PHARMACY MANAGEMENT	2,130,393
CERNER CORPORATION PO BOX 412702 KANSAS CITY, MO 64141	SOFTWARE MAINTENANCE	2,008,260
MIDWESTERN UNIVERSITY 19555 NORTH 59TH AVE GLENDALE, AZ 85308	RESIDENTS	1,958,374
WE O'NEIL CONSTRUCTION CO 710 S CAMPBELL AVE TUCSON, AZ 85719	CONSTRUCTION	1,697,257

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 ▶ 35

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	221,009				
	e Government grants (contributions) 1e					
	f All other contributions, gifts, grants, and similar amounts not included above 1f	40,240				
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f . . . . . ▶		261,249			
Program Service Revenue		Business Code				
	2a NET PATIENT SERVICE (MEDICARE/MEDICAID)	446199	49,371,415	49,371,415		
	b NET PATIENT SERVICE (OTHER)	446199	47,053,495	47,053,495		
	c MOB/RENTAL	531120	110,634			110,634
	d CAFETERIA	722210	415,033	415,033		
	e RADIOLOGY PRO FEE	541900	290,426	290,426		
	f All other program service revenue		3,889	3,889		
	g **Total.** Add lines 2a–2f . . . . . ▶		97,244,892			
	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		1,367,914			1,367,914
	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		541,617			
	b Less cost or other basis and sales expenses		565,537			
	c Gain or (loss)		-23,920			
	d Net gain or (loss) . . . . . ▶		-23,920			-23,920
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 MEDICAL SUPPLY SALES	446199	-241,646		-241,646	
	b					
	c					
	d All other revenue					
	e **Total.** Add lines 11a–11d . . . . . ▶		-241,646			
	12 **Total revenue.** See Instructions . . . ▶		98,608,489	97,134,258	-241,646	1,454,628

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	0	0		
2 Grants and other assistance to individuals in the U S See Part IV, line 22	5,500	5,500		
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0	0		
4 Benefits paid to or for members	0	0		
5 Compensation of current officers, directors, trustees, and key employees	2,794,601	0	2,794,601	0
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	0	0	0
7 Other salaries and wages	32,940,155	26,080,243	6,859,912	0
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	765,543	457,024	308,519	0
9 Other employee benefits	5,009,188	3,244,570	1,764,618	0
10 Payroll taxes	2,538,920	1,881,602	657,318	0
a Fees for services (non-employees) Management	0	0	0	0
b Legal	232,532	0	232,532	0
c Accounting	285,003	0	285,003	0
d Lobbying	0	0	0	0
e Professional fundraising services *See Part IV, line 17*	0			0
f Investment management fees	171,422	0	171,422	0
g Other	10,076,427	5,848,178	4,228,249	0
12 Advertising and promotion	138,112	0	138,112	0
13 Office expenses	14,646,309	13,426,258	1,220,051	0
14 Information technology	2,938,847	1,911,553	1,027,294	0
15 Royalties	0	0	0	0
16 Occupancy	1,437,805	1,023,151	414,654	0
17 Travel	94,484	50,946	43,538	0
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	0
19 Conferences, conventions, and meetings	407,173	59,447	347,726	0
20 Interest	1,830,633	1,464,506	366,127	0
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	6,200,886	2,151,360	4,049,526	0
23 Insurance	1,136,160	959,203	176,957	0
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a BAD DEBT	4,192,925	4,192,925	0	0
b EQUIPMENT REPAIRS & MAINT	2,697,826	2,073,050	624,776	0
c MINOR EQUIPMENT & INSTRUMENTS	376,568	237,617	138,951	0
d BLDG REPAIRS & MAINT	180,860	108,516	72,344	0
e DUES AND SUBSCRIPTIONS	160,593	31,177	129,416	0
f All other expenses	808,868	18,277	790,591	0
25 **Total functional expenses.** Add lines 1 through 24f	92,067,340	65,225,103	26,842,237	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		12,838,651	1	14,883,870
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		7,837,953	4	8,593,614
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		2,099,777	8	2,390,380
	9	Prepaid expenses and deferred charges		4,134,325	9	2,759,565
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 87,330,809			
	b	Less accumulated depreciation	10b 52,528,065	36,873,701	10c	34,802,744
	11	Investments—publicly traded securities		41,128,832	11	48,915,289
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11		135,237	13	82,535
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		1,140,502	15	1,711,850
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		106,188,978	16	114,139,847
Liabilities	17	Accounts payable and accrued expenses		5,139,862	17	4,205,335
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		26,400,000	20	25,552,129
	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		701,324	23	264,220
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		8,744,167	25	9,968,759
	26	**Total liabilities.** Add lines 17 through 25		40,985,353	26	39,990,443
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		65,182,728	27	74,101,315
	28	Temporarily restricted net assets		20,897	28	48,089
	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		65,203,625	33	74,149,404
	34	Total liabilities and net assets/fund balances		106,188,978	34	114,139,847

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	98,608,489
2	Total expenses (must equal Part IX, column (A), line 25)	2	92,067,340
3	Revenue less expenses Subtract line 2 from line 1	3	6,541,149
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	65,203,625
5	Other changes in net assets or fund balances (explain in Schedule O)	5	2,404,630
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	74,149,404

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
SIERRA VISTA REGIONAL HEALTH CENTER INC

Employer identification number
86-0186064

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 ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public Support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	**(a)** 2006	**(b)** 2007	**(c)** 2008	**(d)** 2009	**(e)** 2010	**(f)** Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

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

Section D. Computation of Investment Income Percentage

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

19a **33 1/3% support tests—2010.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2009.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ▶☐

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.**
▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes," to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35a (Proxy Tax), then

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

Name of the organization	Employer identification number
SIERRA VISTA REGIONAL HEALTH CENTER INC	86-0186064

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c) except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities ▶ $ _____

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

(a) Name	**(b)** Address	**(c)** EIN	**(d)** Amount paid from filing organization's funds If none, enter -0-	**(e)** Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ☐ if the filing organization belongs to an affiliated group
B Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing Organization's Totals	(b) Affiliated Group Totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?	Yes		
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?	Yes		
e	Publications, or published or broadcast statements?	Yes		
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		1,791
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		10,493
j	Total lines 1c through 1i			12,284
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
LOBBYING ACTIVITIES	SCHEDULE C, PART II-B	LINE 1 G - ACTIVITY CONSISTED OF DINNER IN PHOENIX AZ WITH STATE REPRESENTATIVES AND MEMBERS OF THE HOSPITAL STAFF AND TRUSTEES THE PURPOSE OF THE MEETING WAS TO DISCUSS THE IMPACT OF STATE LEGISLATION UPON THE HOSPITAL LINE 1I- THIS AMOUNT REPRESENTS THE PORTION OF AMERICAN HOSPITAL ASSOCIATION DUES THAT HAVE BEEN ALLOCATED TO LOBBYING ACTIVITIES

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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
SIERRA VISTA REGIONAL HEALTH CENTER INC

Employer identification number
86-0186064

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		1,824,928		1,824,928
b Buildings		37,212,625	18,199,033	19,013,592
c Leasehold improvements				
d Equipment		42,737,203	32,117,835	10,619,368
e Other		5,556,053	2,211,197	3,344,856
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				34,802,744

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
ACCRUED COMPENSATION	3,810,337
ESTIMATED THIRD PARTY LIAB	3,158,422
OTHER LIABILITIES	3,000,000
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	9,968,759

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

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

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

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

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
PART X, LINE 1	ASC 740 FOOTNOTE	THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011 DO NOT CONTAIN AN ASC 740 FOOTNOTE MANAGEMENT HAS DETERMINED THAT THERE ARE NO UNCERTAIN TAX POSITIONS THAT REQUIRE ACCRUAL OR DISCLOSURE

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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
SIERRA VISTA REGIONAL HEALTH CENTER INC

Employer identification number
86-0186064

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 ☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %	3a	Yes	
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 ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☑ Other **800. %**	3b	Yes	
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		No
6b	If "Yes," did the organization make it available to the public?	6b		
	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)			1,179,449	0	1,179,449	1 340 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			15,598,490	14,677,604	920,886	1 050 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)			22,767	11,425	11,342	0 010 %
d **Total** Financial Assistance and Means-Tested Government Programs			16,800,706	14,689,029	2,111,677	2 400 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			225,961	0	225,961	0 260 %
f Health professions education (from Worksheet 5)			1,829,583	721,630	1,107,953	1 260 %
g Subsidized health services (from Worksheet 6)			796,496	858,183	-61,687	0 070 %
h Research (from Worksheet 7)			0	0	0	0 %
i Cash and in-kind contributions to community groups (from Worksheet 8)			0	0	0	0 %
j **Total** Other Benefits			2,852,040	1,579,813	1,272,227	1 450 %
k **Total.** Add lines 7d and 7j			19,652,746	16,268,842	3,383,904	3 850 %

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			2,060		2,060	0 %
3	Community support			13,905		13,905	0 020 %
4	Environmental improvements						
5	Leadership development and training for community members			38,925		38,925	0 040 %
6	Coalition building			8,369		8,369	0 010 %
7	Community health improvement advocacy			2,841		2,841	0 %
8	Workforce development			140,728		140,728	0 150 %
9	Other						
10	**Total**			206,828		206,828	0 220 %

Part III **Bad Debt, Medicare, & Collection Practices**

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?	1			No
2	Enter the amount of the organization's bad debt expense (at cost)	2	1,298,549		
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			
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	23,253,260		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	24,957,591		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-1,704,331		
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	SIERRA VISTA REGIONAL HLTH CNTR 300 EL CAMINO REAL SIERRA VISTA,AZ 85635	X	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? **5**

	Name and address	Type of Facility (Describe)
1	MOORMAN AVE OUTPATIENT SVCS 185 S MOORMAN AVE SIERRA VISTA,AZ 85635	LAB/INFUSION/HOSPICE
2	MOORMAN AVE OUTPATIENT SVCS 185 S MOORMAN AVE SIERRA VISTA,AZ 85635	LAB/INFUSION/HOSPICE
3	MOORMAN AVE OUTPATIENT SVCS 185 S MOORMAN AVE SIERRA VISTA,AZ 85635	LAB/INFUSION/HOSPICE
4	MOORMAN AVE OUTPATIENT SVCS 185 S MOORMAN AVE SIERRA VISTA,AZ 85635	LAB/INFUSION/HOSPICE
5	MOORMAN AVE OUTPATIENT SVCS 185 S MOORMAN AVE SIERRA VISTA,AZ 85635	LAB/INFUSION/HOSPICE
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		1 PHILOSOPHY IN KEEPING WITH SIERRA VISTA REGIONAL HEALTH CENTER'S VISION TO BE A LEADER IN IMPROVING THE COMMUNITY'S HEALTH CARE STATUS, IT IS CONSIDERED NOT ONLY NECESSARY BUT ALSO APPROPRIATE TO MAKE ADJUSTMENT TO PATIENT CARE CHARGES UNDER CERTAIN CIRCUMSTANCES IT IS NOT THE INTENT OF THIS POLICY TO RESTRICT THIS PRACTICE, BUT TO ESTABLISH CLEAR GUIDELINES BY WHICH TO ACCOMPLISH THE TASK 2 DEFINITIONS BECAUSE ADJUSTMENTS CAN OCCUR FOR SEVERAL REASONS, IT IS NECESSARY TO DEFINE CERTAIN TYPES OF ADJUSTMENTS A UNCOMPENSATED CARE UNCOMPENSATED CARE/CHARITY CARE IS DEFINED AS SERVICES PROVIDED TO PATIENTS WHO ARE UNABLE TO PAY BASED ON INCOME LEVEL, FINANCIAL ANALYSIS, DEMOGRAPHIC INDICATORS AND/OR FURTHER HEALTHCARE NEEDS BASED ON DIAGNOSIS OR CATASTROPHIC CIRCUMSTANCES B SELF-PAY DISCOUNT A PAYMENT ADJUSTMENT MAY OCCUR WHEN THE PATIENT AGREES TO MAKE IMMEDIATE OR PROMPT PAYMENT IN RETURN FOR A REDUCTION IN THE AMOUNT DUE C PROCESS ALL ADJUSTMENTS OF PATIENT CARE CHARGES REQUESTED SHALL BE APPROVED BY PERSONS DESIGNATED AS FOLLOWS - $25,000 + CFO - $5,000 TO $24,999 DIRECTOR OF REVENUE MANAGEMENT - $101 TO $4999 ASSISTANT MANAGER OF A/R - $1 00 TO $100 A/R STAFF - SELF PAY DISCOUNTS A SELF PAY DISCOUNT OF 50% WILL BE APPLIED AT THE TIME OF BILLING D PLEASE NOTE ON SELF PAY AFTER INSURANCE, THERE IS NO DISCOUNT ON DEDUCTIBLES OR CO-PAYS AS THIS IS PART OF THE CONTRACTUAL RELATIONSHIP BETWEEN THE PAYER AND THE SUBSCRIBER ONLY COINSURANCE BALANCES ARE ELIGIBLE FOR DISCOUNTS E A COINSURANCE DISCOUNT OF 30% WILL BE APPLIED AT THE TIME OF BILLING F UNCOMPENSATED CARE - CHARITY CARE POLICY REQUEST FOR CHARITY CARE (FINANCIAL ASSISTANCE) FINANCIAL ASSISTANCE REQUEST MAY BE MADE BY THE PATIENT, OUTSIDE HEALTH CARE PROVIDERS, COMMUNITY OR RELIGIOUS GROUPS, SOCIAL SERVICES, FAMILY MEMBERS, AND SVRHC PERSONNEL THE FINANCIAL COUNSELOR WILL KEEP ON FILE (AND FOR REFERENCE) AN ANNUAL "POVERTY GUIDELINES" AS PUBLISHED BY THE FEDERAL REGISTRY 1 ELIGIBILITY CONSIDERATIONS FOR FINANCIAL ASSISTANCE - FINANCIAL ASSISTANCE IS SECONDARY TO ALL OTHER FINANCIAL RESOURCES AVAILABLE TO THE PATIENT INCLUDING INSURANCE, GOVERNMENT PROGRAMS, THIRD PARTY LIABILITY, AND PERSONAL ASSETS - FULL FINANCIAL ASSISTANCE WILL BE PROVIDED TO A PATIENT/GUARANTOR WITH A GROSS FAMILY INCOME 200% OF THE FEDERAL POVERTY GUIDELINES DEPENDENT UPON THE ELIGIBILITY CRITERIA FOR THE AHCCCS PROGRAMS - MOST PROGRAMS AHCCCS ELIGIBILITY 100% FPL (FEDERAL POVERTY LEVEL) - A PATIENT /GUARANTOR WILL BE GIVEN PARTIAL FINANCIAL ASSISTANCE BASED ON HIS OR HER INCOME LEVEL UP TO 800% OF THE POVERTY GUIDELINES - COSMETIC AND OTHER SERVICES THAT ARE NOT MEDICALLY NECESSARY ARE NOT ELIGIBLE FOR FINANCIAL ASSISTANCE - OTHER CATASTROPHIC CIRCUMSTANCES MAY BE CONSIDERED IN THE CHARITY DECISION - AHCCCS ELIGIBILITY WITHIN 60 DAYS OF SERVICE WILL BE PROOF OF INDIGENCE - MEDICAL INDIGENCE -EVALUATE ADDITIONAL CIRCUMSTANCE - MEDICAL BILLS (COMBINED) GREATER THAN 1 YEAR TIMES ANNUAL INCOME - CATASTROPHIC EVENT/DIAGNOSIS - ASSET AVAILABILITY - PATIENTS/GUARANTORS WILL BE ASKED TO COMPLETE AN APPLICATION FOR ASSISTANCE AND PROVIDE PROOF OF INCOME SUCH AS EMPLOYER PAYMENTS STUBS, BANK STATEMENTS AND/OR TAX RETURN 2 DETERMINATION - PATIENTS/GUARANTORS WILL BE NOTIFIED OF FINANCIAL ASSISTANCE DETERMINATION BY PHONE OR IN WRITING - PATIENTS/GUARANTORS MAY APPEAL A FINANCIAL ASSISTANCE DETERMINATION BY PROVIDING ADDITIONAL INFORMATION SUCH AS INCOME VERIFICATION OR AN EXPLANATION OF EXTENUATING CIRCUMSTANCES TO THE FINANCIAL COUNSELOR FOR REVIEW - SVRHC'S DECISION TO PROVIDE FINANCIAL ASSISTANCE IN NO WAY AFFECTS THE PATIENTS/GUARANTOR FINANCIAL OBLIGATION TO THEIR PHYSICIAN OR OTHER HEALTH CARE PROVIDERS

Identifier	ReturnReference	Explanation
PART I LINE 6A		THE ORGANIZATION DID NOT PREPARE A COMMUNITY BENEFIT REPORT FOR THIS TAX YEAR, BUT HAS DONE ONE IN THE PAST AND IS SCHEDULED TO COMPLETE ONE IN FY 12

Identifier	ReturnReference	Explanation
PART I LINE 7		COSTING METHODOLOGY USED TO CALCULATE THE AMOUNTS REPORTED IN THE TABLE IS PRIMARILY THE COST TO CHARGE RATIO CALCULATED IN WORKSHEET 2 OF SCHEDULE H OTHER COSTS COME FROM OUR FY2011 COST REPORT BAD DEBT EXPENSE OF $4,192,925 WAS SUBTRACTED FROM TOTAL EXPENSES FOR THE DENOMINATOR IN DETERMINING THE PERCENTAGES IN COLUMN F

Identifier	ReturnReference	Explanation
PART II		COMMUNITY BUILDING ACTIVITIES SIERRA VISTA REGIONAL HEALTH CENTER'S MISSION REFLECTS THE P HILOSOPHY THAT WE WILL PROVIDE HEALTHCARE EDUCATION, RESOURCES, AND PROGRAMS TO CITIZENS W ITHIN THE COMMUNITY IN ADDITION TO THOSE WHO ARE UNDERINSURED AND UNINSURED THIS TYPE OF COMMUNITY BENEFIT INCLUDES THE COST OF TRADITIONAL CHARITY CARE, UNPAID PORTIONS OF AHCCCS , AND SUPPLIES OR STAFF TIME VOLUNTEERED ON BEHALF OF THE COMMUNITY THROUGH OUR WELLNESS DEPOT IN THE MALL AT SIERRA VISTA, OUR COMMUNITY BENEFIT COORDINATOR HAS IMPLEMENTED AND H OSTED APPROXIMATELY 133 DIFFERENT HEALTH AND WELLNESS RELATED PROGRAMS AND EVENTS FOR THE PUBLIC THE OVERWHELMING RESPONSE TO THESE OFTEN FREE EDUCATIONAL SYMPOSIUMS HAS BEEN NOTH ING BUT POSITIVE IN SOME CASES, WE'VE EVEN SAVED LIVES BY RECOGNIZING HIGH BLOOD PRESSURE , SYMPTOMS OF HEART DISEASE, AND TEACHING THE NEW HANDS ONLY METHOD OF CPR WE KNOW THAT O UR WELLNESS DEPOT HAS A VERY POSITIVE IMPACT WITHIN THE COMMUNITY BECAUSE WE HEAR TIME AND AGAIN HOW THANKFUL THE COMMUNITY IS FOR PROVIDING OUTREACH TO THOSE WHO MAY NOT HAVE REGU LAR ACCESS TO HEALTHCARE THROUGH THE DEPOT, WE'VE TOUCHED ABOUT 25,000 LIVES WITHIN THE L AST TWO YEARS WHICH IS AN INCREDIBLE NUMBER OF PEOPLE WE ARE REACHING SIERRA VISTA REGION AL HEALTH CENTER ALSO COMMITS SIGNIFICANT TIME AND RESOURCES TO ENDEAVORS AND CRITICAL SER VICES WHICH MEET OTHERWISE UNFILLED COMMUNITY NEEDS MANY OF THESE ACTIVITIES ARE SPONSORE D WITH THE KNOWLEDGE THAT THEY WILL NOT BE FINANCIALLY VIABLE THE DEVELOPMENT AND VALUE O F THESE PROGRAMS IS BASED ON A COMMUNITY HEALTH CARE ASSESSMENT PERFORMED BY AN INDEPENDEN T COMPANY ONGOING COMMUNITY OUTREACH PROGRAMS ADULT HEARING LOSS GROUP ADVANCED DIRECTIV ES ALZHEIMER EDUCATIONAL CLASSES ANIMAL THERAPY ARTHRITIS PROGRAMS ARTHRITIS SELF-HELP CLA SSES BABY SIGN LANGUAGE CLASSES BETTER BREATHERS CLUB BLOOD PRESSURE CHECKS BODY MASS INDE X BRAIN WAVES CHILD BRAIN DEVELOPMENT BREASTFEEDING 101 CARDIAC & PULMONARY REHABILITATION CHAIR YOGA CHOLESTEROL EDUCATION KNOW WHAT YOUR NUMBERS MEAN COMPRESSION ONLY CPR CONGES TIVE HEART FAILURE CLASSES DIABETES EDUCATION DIABETES SUPPORT GROUP FLU PRECAUTION PROGRA MS FLU VACCINE CLINICS FOOD DRIVES HEALTHY LIFESTYLE CHOICES HELP WITH MEDICARE HOSPICE BE REAVEMENT GROUP KIDS SPORTS TEAMS 1ST AID KITS KIGONG LIVING WILLS MALL WALKERS PROGRAM MU SIC THERAPY NUTRITION CLASSES FOR CHILDREN OLD MEDICATION DISPOSAL PARISH NURSE PROGRAM PE RINATAL GRIEF SUPPORT POSTPARTUM DEPRESSION INFORMATION POTTY TRAINING PRENATAL CLASSES PU LMONARY REHABILITATION PULSE OXYGEN TESTS SHINGLES AWARENESS SMART TEEN EATING PROGRAM TOB ACCO SUPPORT GROUP SPEAKERS BUREAU STORYTIME STROKE/BRAIN INJURY SUPPORT GROUP SUN SAFETY TELECARE HOME BOUND VICAP SPACE AND SUPPLIES VIRTUAL TOUR KITS FOR ALL SCHOOLS WATER SAFET Y WEIGHT MANAGEMENT PROGRAM WELLNESS DEPOT ZUMBA GOLD FOR SENIORS SPECIAL COMMUNITY OUTREA CH PROGRAMS A BUYERS GUIDE TO HOME HEALTHCARE A MATTER OF BALANCE ACUPRESSURE ACUPUNCTURE AQUATIC THERAPY THE MANY BENEFITS OF WATER BAT EDUCATION BONE MARROW COLLECTION BREAST C ANCER AWARENESS CHOLESTEROL TESTING CHRONIC DISEASE MANAGEMENT COLORECTAL CANCER AWARENESS DIGITAL MAMMOGRAPHY EDUCATION EPILEPSY 101 FALL INTO STEP FECAL BLOOD OCCULT TESTING GLUT EN FREE DIET HEALTH FAIRS HEALTHY LIFESTYLE CHOICES HEALTHY LIVING TO 100 HEART HEALTH HEA RT SAVING CT SCANNING EDUCATION HPV WHAT EVERY WOMAN SHOULD KNOW HYPNOTHERAPY FOR WEIGHT LOSS, QUITTING SMOKING & DEPRESSION IMMUNIZATION INFORMATION LAUGHTER YOGA LIVING VEGAN/ME ATLESS MONDAY LONG TERM CARE PLANNING MEDICAL IDENTITY THEFT MEDITATION MENTAL HEALTH MRSA AWARENESS MRSA FOR PARENTS OSTEOPOROSIS EDUCATIONS PEACEFUL DYING HOSPICE MONTH RADICAL SELF CARE FOR THE MODERN WOMAN SCIENCE CARE WHOLE BODY DONATION SENIOR SCAMS SHAKEN BABY SOLAR COOKING STRENGTH TRAINING FOR THE OLDER ADULT STRESS ON YOUR HEART STRESS RELIEF FOR THE HOLIDAYS SURVIVAL STRATEGIES FOR THE HOLIDAYS SURVIVING THE HOLIDAYS WITH HUMOR TICKE T TO WORK WHAT IS HOME CARE? WOMEN & HEART DISEASE WOMEN & A PLANT BASED DIET WORK INCENTI VES WITH COCHISEABILITY & SSI EDUCATION SIERRA VISTA REGIONAL HEALTH CENTER, THE LARGEST N ONPROFIT MEDICAL CENTER IN SOUTHEASTERN ARIZONA, OFFERS EXTENSIVE GRADUATE MEDICAL EDUCATI ON AND A RESOURCE MENTOR PROGRAM FOR NURSES, PHYSICIANS, AND OTHER HEALTHCARE PROFESSIONAL S EDUCATIONAL OFFERINGS INCLUDE - SVRHC IS HOME TO THE ONLY COUNTY-WIDE INTERNAL MEDICIN E & FAMILY RESIDENCY PROGRAMS - SVRHC PROVIDES TRAINING AT THE HOSPITAL TO NURSES FROM COC HISE COLLEGE - SVRHC HOSTS NURSING, REHABILITATION, PHARMACY, LABORATORY, DIAGNOSTIC IMAGI NG STUDENTS - SVRHC PROVIDES HOUSING AND MEALS TO MEDICAL STUDENTS AND RESIDENTS - THE SUM MER VOLUNTEEN PROGRAM PROVIDES REAL WORLD JOB EXPERIENCE AND MENTORING FOR STUDENTS INTERE STED IN PURSUING HEALTHCARE CAREERS COMMUNITY EVENTS THE HOSPITAL SPONSORS ORGANIZATIONS A ND EVENTS IN THE COMMUNITY WHICH PROMOTE HEALTHY LIFE STYLES AND/OR DISEASE PREVENTION/INF ORMATION SOME OF THESE INCLUDE AMERICAN CANCER S

Identifier	ReturnReference	Explanation
PART II		OCIETY FORGACH HOUSE (BATTERED WOMEN/CHILDREN) GOOD NEIGHBOR ALLIANCE (MEN'S SHELTER) UNIT ED WAY MARCH OF DIMES JUST KIDS, INC (CLOTHING PROGRAM) SIERRA VISTA OPEN HIGH SCHOOL SCHO LARSHIPS COLLEGE SCHOLARSHIPS SENIOR EXPO FT HUACHUCA HEALTH DAY CHAMBER BUSINESS EXPO CH AMBER HEALTH DAY SCHOOL CAREER DAYS MOUNTAIN EMPIRE ROTARY SACA AMERICAN RED CROSS FIREFIG HTER'S TOY DRIVE VICAP SIERRA VISTA AND TOMBSTONE -PROJECT GRADUATION (DRUG/ALCOHOL FREE E VENING FOR GRADUATING SENIORS) CARONDELET HEALTH FOUNDATION ARTHRITIS FOUNDATION COMFORT Z ONE (FREE BLOOD PRESSURE CHECKS) MINISTRY FAIR (FREE BLOOD PRESSURE CHECKS) FEEDBACK SIERR A VISTA REGIONAL HEALTH CENTER PROVIDES MANY OPPORTUNITIES FOR COMMUNITY MEMBERS TO PROVID E US FEEDBACK ON THE PROGRAMS AND SERVICES DELIVERED BY THE HOSPITAL THESE PROGRAMS INCLU DE SVRHC AUXILIARY SVRHC FOUNDATION FACILITY TOURS VOLUNTEER SERVICES COMMUNITY BREAKFAST S PRESS GANEY SURVEYS SUGGESTION BOXES COMMUNITY ASSESSMENTS WEB SITE CLERGY BREAKFASTS AN NUAL REPORT PASTORAL BREAKFASTS FACEBOOK HEALTH BEAT COMMUNICATION STATISTICS COMMUNITY SP EAKERS 3,542 ATTENDANCE AT SPEAKING ENGAGEMENTS 6,300 SUPPORT GROUPS/CLASSES 2,100 COMMUNI TY FEEDBACK OVER 3,000 WEB SITE HITS 3 9 MILLION ANNUAL VISITORS TO DEPOT 9,184 DIRECT MAI L OF HEALTH BEAT 51,000 12 TIMES PER YEAR DIRECT MAIL OF ANNUAL REPORT 51,000 1 TIME PER Y EAR

Identifier	ReturnReference	Explanation
PART III LINE 4		THE BAD DEBT EXPENSE (AT COST) WAS CALCULATED USING THE COST TO CHARGE RATIO CALCULATED IN WORKSHEET 2 OF SCHEDULE H THE BAD DEBT EXPENSE IS RECORDED ON THE FINANCIALS AT GROSS CHARGES EVERY EFFORT IS MADE TO IDENTIFY CHARITY PATIENTS AT THE POINT OF SERVICE SO NONE OF THE PATIENTS WRITTEN OFF TO BAD DEBT SHOULD HAVE BEEN ELIGIBLE FOR CHARITY CARE IT IS POSSIBLE THAT SOME PATIENTS REFUSED TO COMPLETE THE CHARITY APPLICATION SO THAT NEED COULD NOT BE DETERMINED

Identifier	ReturnReference	Explanation
PART III LINE 8		MEDICARE ALLOWABLE COSTS WERE CALCULATED USING THE COST TO CHARGE RATIO CALCULATED IN WORKSHEET 2 OF SCHEDULE H MEDICARE CHARGES FOR CATH LAB WERE EXCLUDED SINCE THEY WERE REPORTED AS PART OF THE SUBSIDIZED HEALTH SERVICES EXPENSE FOR HEALTH PROFESSIONAL EDUCATION WAS THEN EXCLUDED FROM RESULTING COST THE ENTIRE SHORTFALL CALCULATED SHOULD BE ATTRIBUTABLE TO COMMUNITY BENEFIT, SINCE THERE ARE NO OTHER HOSPITALS IN THE AREA THAT COULD PROVIDE CARE FOR THESE PATIENTS

Identifier	ReturnReference	Explanation
PART III LINE 9B	BAD DEBT REVIEW	- HEALTH CARE OUT SOURCING NETWORK (HON) WILL PROVIDE A LISTING WEEKLY OF ACCOUNTS FOR POSSIBLE APPROVAL FOR BAD DEBT PROCESSING - ALL ACCOUNTS WILL HAVE BEEN IN SELF PAY COLLECTIONS FOR 120 DAYS PRIOR TO ASSIGNMENT - ALL ACCOUNTS WILL BE SCREENED TO ENSURE THAT THE CO-PAY AND OR DEDUCTIBLE AMOUNT IS CORRECT - ALL ACCOUNTS WILL BE SCREENED PRIOR TO BAD DEBT PLACEMENT FOR POSSIBLE PAYMENTS, OTHER THIRD PARTY INSURANCE AND/OR OTHER AGENCY - A LISTING OF ANY ACCOUNTS TO BE PULLED FROM COLLECTIONS WILL BE PROVIDED BACK TO HON FOR FURTHER WORK UP

Identifier	ReturnReference	Explanation
PART VI, LINE 2	NEEDS ASSESSMENT	A COMMUNITY HEALTH ASSESSMENT WAS PERFORMED BY HMS ASSOCIATES, A NATIONAL COMPANY FOR SIERRA VISTA REGIONAL HEALTH CENTER IN JULY, 2007 THE COMPANY CONDUCTED THE SURVEY UTILIZING THREE TYPES OF INFORMATION A STATISTICS ON DEATHS, BIRTHS, SERVICE USE B COMMUNITY SURVEYS C OPINIONS OF KEY ORGANIZATIONS THE ASSESSMENT COVERED ALL OF THE HOSPITAL'S SERVICE AREAS WITHIN THE COUNTY AND KEY EFFORTS INCLUDED DURING THE ANALYSIS WERE GATHERING DATA, ASSIGNING DATA TO HEALTHY PEOPLE PROGRAM CATEGORIES, COMPARING DATA TO BENCHMARKS, ANALYZING DATA AND SELECTING PRIORITIES, AND SUMMARIZING FINDINGS THE ASSESSMENT WAS THE FOUNDATION FOR SVRHC'S COMMUNITY BENEFIT PLAN WHICH INCLUDES ACTIVITIES AND PROGRAMS TO IMPROVE THE COMMUNITY HEALTH OF OUR CITIZENS

Identifier	ReturnReference	Explanation
PART VI, LINE 3	PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	SIERRA VISTA REGIONAL HEALTH CENTER INFORMS AND EDUCATES OUR PATIENTS AND COMMUNITY MEMBERS WHO MAY BE BILLED FOR PATIENT CARE ABOUT THEIR ELIGIBILITY FOR ASSISTANCE UNDER FEDERAL, STATE, AND LOCAL GOVERNMENT PROGRAMS AND UNDER THE HOSPITAL'S CHARITY CARE POLICY IN THE FOLLOWING WAYS A INFORMATION ON ELIGIBILITY ASSISTANCE IS PROVIDED ON THE WEBSITE, AT THE HOSPITAL'S WELLNESS DEPOT, AND IN PAMPHLETS B EACH PATIENT IS VISITED BY AN ELIGIBILITY SPECIALIST TO DISCUSS ONE-ON-ONE ELIGIBILITY ASSISTANCE C THERE ARE POSTED SIGNS WITHIN THE HOSPITAL NOTIFYING PATIENTS/COMMUNITY MEMBERS ON ASSISTANCE D FOR PATIENTS UNABLE TO INTERACT WITH AN ELIGIBILITY SPECIALIST AT THE TIME OF ARRIVAL THROUGH THE EMERGENCY ROOM, THE DEMOGRAPHICS AND INFORMATION SHEET IS VIEWED BY THE SPECIALIST AND CONTACT IS MADE WITH EACH ONE TO DISCUSS ELIGIBILITY E THERE IS A STATEMENT ON EACH BILL SENT TO ALL PATIENTS ABOUT ELIGIBILITY ASSISTANCE

Identifier	ReturnReference	Explanation
PART VI, LINE 4	COMMUNITY INFORMATION	THE HOSPITAL UTILIZED THE DEMOGRAPHIC INFORMATION PROVIDED BY THE ASSESSMENT ON THE POPULATIONS OF THE CITIES WITHIN COCHISE COUNTY AND INFUSED THESE FINDINGS INTO OUR PLAN WE LOOKED AT THE POPULATION SIZE AND DENSITY, DISTRIBUTION, AND VITAL STATISTICS OF EACH CITY COUPLED WITH THE HEALTH NEED FINDINGS TO ESTABLISH EDUCATION AND PROGRAMS FOR THE POPULACE SOME OF THE DEMOGRAPHIC INFLUENCES UNIQUE TO OUR SERVICE AREA INCLUDE THE FOLLOWING A DUE TO ANTICIPATED POPULATION GROWTH, THE NEED FOR SERVICES WILL GROW BY 50% OVER THE NEXT 20 YEARS B THE POPULACE OF 50+ YEARS IS PROJECTED TO GROW BY 54% OVER THE NEXT 20 YEARS C RETIREE GROWTH IS ALSO PROJECTED TO GROW BY 18% OVER THE NEXT 20 YEARS D POPULATIONS DENSITY VARIES (FROM 500 TO 65,000) DUE TO MOST OF OUR SERVICE AREA BEING RURAL E ALL OF OUR SERVICE AREA HAS CULTURAL SENSITIVITY CHARACTERISTICS F THE POPULACE HAS SPECIAL POPULATIONS WITHIN OF GROUP HOMES, ARMED FORCES, CIVILIAN VETERANS (TWO AGE GROUPS - 18 TO 64 AND OVER 64) G DEMOGRAPHICS SHOW HIGH HEALTH RISK BEHAVIOR LEVELS, POOR HEALTH STATUS, AND CONSIDERABLE CONCERN BY COMMUNITY LEADERS AND KEY HEALTH CARE PROVIDERS WITHIN THE COUNTY H ACCESS TO CARE WAS A MAJOR CONCERN IDENTIFIED FOR THE COUNTY I THE COUNTY RELIES ON THE EMERGENCY ROOM FOR CARE MORE THAN ANY OTHER COUNTY IN THE STATE

Identifier	ReturnReference	Explanation
PART VI, LINE 5	PROMOTION OF COMMUNITY HEALTH	SEE NARRATIVE FOR SCHEDULE H, PART II

Identifier	ReturnReference	Explanation
PART VI, LINE 6	AFFILATED HEALTH CARE SYSTEM	THE HOSPITAL WAS NOT PART OF AN AFFILIATED HEALTH SYSTEM

Identifier	ReturnReference	Explanation
PART VI, LINE 7	STATE FILING OF COMMUNITY BENEFIT REPORT	THERE ARE NO STATES IN WHICH THE ORGANIZATION FILES A COMMUNITY BENEFIT REPORT

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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
SIERRA VISTA REGIONAL HEALTH CENTER INC

Employer identification number
86-0186064

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

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

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

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) SCHOLARSHIPS	7	5,500			

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
PROCEDURES FOR MONITORING FUNDS	PART I, LINE 2	SCHOLARSHIP FUNDS ARE PROVIDED TO COCHISE COLLEGE, AND THE COLLEGE ADMINISTERS THE PROGRAM

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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
SIERRA VISTA REGIONAL HEALTH CENTER INC

Employer identification number
86-0186064

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**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or 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				
(1) BRUCE NORTON	(i)	213,828	48,402	3,804	55,677	22,586	344,297	0
	(ii)	0	0	0	0	0	0	0
(2) MARIE WURTH	(i)	157,520	32,440	2,058	17,555	20,013	229,586	0
	(ii)	0	0	0	0	0	0	0
(3) REBECCA MCCALMONT	(i)	138,690	31,116	2,190	33,230	20,366	225,592	0
	(ii)	0	0	0	0	0	0	0
(4) MARGARET HEPBURN-SVRHC	(i)	126,160	200	3,667	7,124	11,930	149,081	0
	(ii)	0	0	0	0	0	0	0
(5) MARGARET HEPBURN-TERM	(i)	0	0	792,940	0	0	792,940	0
	(ii)	0	0	0	0	0	0	0
(6) MARGARET HEPBURN-RETIRE	(i)	0	0	409,763	0	0	409,763	0
	(ii)	0	0	0	0	0	0	0
(7) MARGARET HEPBURN-PTO	(i)	0	0	180,449	0	0	180,449	0
	(ii)	0	0	0	0	0	0	0
(8) MARGARET HEPBURN-CHN	(i)	269,386	114,472	0	0	0	383,858	0
	(ii)	0	0	0	0	0	0	0
(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 II	ADDITIONAL COMPENSATION INFORMATION	ON APRIL 17, 2010 SIERRA VISTA REGIONAL HEALTH CENTER (SVRHC) ENTERED INTO AN AFFILIATION AGREEMENT WITH THE CARONDELET HEALTH NETWORK (CHN) AS A RESULT OF THAT AGREEMENT THE EMPLOYMENT OF MS HEPBURN, CEO, WAS TERMINATED SHE WAS PAID BY SVRHC ACCORDING TO THE TERMS OF HER EMPLOYMENT CONTRACT BEGINNING APRIL 17, 2010, MS HEPBURN BECAME EMPLOYED BY THE CHN SHE WAS ASSIGNED BY CHN TO SERVE AS THE CEO OF SVRHC FOR THE PURPOSE OF CARRYING OUT THE GOALS AND OBJECTIVES OF THE AFFILIATION AGREEMENT UNDER THE AGREEMENT SVRHC REIMBURSED THE CHN FOR THOSE SERVICES BEGINNING APRIL 17, 2010 IN ORDER TO MORE CLEARLY REFLECT THE ELEMENTS OF HER COMPENSATION, FIVE LINES OF DISCLOSURE HAVE BEEN PRESENTED ON THE FORM 990 PART VII AND SCHEDULE J PART II AMOUNTS PAID BY SVRHC THROUGH APRIL 16, 2010 $ 130,027 CONTRACT TERMINATION $ 792,940 RETIREMENT SERP ACCOUNT $ 409,763 PAID TIME OFF ACCRUED $ 180,449 SALARY PAID BY CHN $ 383,858
SCHEDULE J, PART I, LINE 4A	CONTRACT TERMINATION PAYMENT	MARGARET HEPBURN, CEO, RECEIVED A TERMINATION PAYMENT OF $792,940 DURING 2010 THIS AMOUNT IS DISCLOSED IN PART II, COLUMN Biii AS OTHER TAXABLE COMPENSATION
SCHEDULE J, PART I, LINE 4B	ADDITIONAL COMPENSATION INFORMATION	MARGARET HEPBURN, CEO, ACCRUED SERP BENEFITS OF $110,989 AND WAS PAID OUT AN ADDITIONAL $298,774 FROM THE SERP THE TOTAL of $409,763 IS DISCLOSED IN PART II, COLUMN Biii AS OTHER TAXABLE COMPENSATION REBECCA MCCALMONT, BRUCE NORTON AND MARIE WURTH ALSO PARTICIPATE IN THE SERP PLAN
SCHEDULE J, PART I, LINE 7	BONUS PROGRAM	THE EXECUTIVE TEAM, WHICH CONSISTS OF THE CEO, CFO, VICE PRESIDENTS, DIRECTORS, AND MANAGERS, ARE ELIGIBLE FOR PARTICIPATION IN THE BONUS PROGRAM THE AMOUNT OF BONUS IS DETERMINED BY A BONUS MATRIX, ONE OF THE COMPONENTS OF WHICH IS AN EARNINGS TRIGGER NONE OF THE BONUS MATRIX IS DISCRETIONARY OR NON-FIXED, THEREFORE, THIS QUESTION IS ANSWERED NO

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
SIERRA VISTA REGIONAL HEALTH CENTER INC

Employer identification number
86-0186064

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	THE INDUSTRIAL DEV AUTHORITY OF COUNTY OF COCHISE	86-0445518	191320BL3	06-05-2003	2,670,000	REFUND BONDS ISSUED ON 12/31/1996		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	0			
2	Amount of bonds legally defeased	0			
3	Total proceeds of issue	2,670,000			
4	Gross proceeds in reserve funds	0			
5	Capitalized interest from proceeds	0			
6	Proceeds in refunding escrow	0			
7	Issuance costs from proceeds	53,400			
8	Credit enhancement from proceeds	0			
9	Working capital expenditures from proceeds	0			
10	Capital expenditures from proceeds	0			
11	Other spent proceeds	0			
12	Other unspent proceeds	0			
13	Year of substantial completion	2003			

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X						
b	Are there any research agreements that may result in private business use of bond-financed property?		X						
c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X							
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %							
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 %							
6	Total of lines 4 and 5	0 %							
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X						
2	Is the bond issue a variable rate issue?		X						
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?								
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X						
6	Did the bond issue qualify for an exception to rebate?	X							

Part V Supplemental Information

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

Identifier	Return Reference	Explanation

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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
SIERRA VISTA REGIONAL HEALTH CENTER INC

Employer identification number
86-0186064

Identifier	Return Reference	Explanation
FORM 990, PART I, LINE 6	VOLUNTEER SERVICES	VOLUNTEERS IMPACT EVERY DEPARTMENT AND ARE A SOURCE OF COMFORT TO PATIENTS AND FAMILY MEMBERS THE QUALITY OF CARE THAT SVRHC PROVIDES IS NOT JUST A RESULT OF THE OUTSTANDING STAFF AND PHYSICIANS, BUT ALSO A DIRECT IMPACT FROM THE FRIENDLINESS AND CHEERY ATTITUDES EACH VOLUNTEER GIVES TO THE HOSPITAL VOLUNTEERS SACRIFICE THEIR TIME AND ENERGY AS AMBASSADORS FOR SVRHC AND ARE TRUE GEMS IN THE COMMUNITY WE UTILIZE VOLUNTEERS IN MOST OF THE DEPARTMENTS HERE AT THE HOSPITAL THESE AREAS INCLUDE CLINICAL DEPARTMENTS SUCH AS MATERNAL CHILD, MED SURGICAL, ICU/TELE, EMERGENCY DEPARTMENTS AND REHABILITATION SERVICES OUR VOLUNTEERS WORK CLOSELY WITH OUR NURSING STAFF AND TECHNICIANS TO LEND ASSISTANCE WHENEVER NEEDED THEY HELP GREET PATIENTS AND FAMILY MEMBERS, ANSWER PHONES, STOCK SMALL SUPPLIES, CREATE PACKETS, HELP WITH CHARTS AND TAKE ITEMS TO PATIENTS' ROOMS SUCH AS FLOWERS OR MAIL OUR NON-CLINICAL DEPARTMENTS INCLUDE MEDICAL RECORDS, CLIENT SERVICES, HUMAN RESOURCES, PATIENT ACCOUNTS AND NUTRITION & FOOD SERVICES OUR VOLUNTEERS HELP OUT IN THESE AREAS BY MAKING COPIES, DATA ENTRY, PUTTING TOGETHER PACKETS, ANSWERING PHONES, COVERING THE OFFICE FOR MEETINGS, MAKING FILES AND DOING FOOD PREPARATION TRAINING IS REQUIRED WHICH PROVIDES VOLUNTEERS THE NECESSARY TRAINING AND TOOLS TO ASSIST THESE SPECIAL CLIENTS IN THEIR DAILY LIVES WE ARE REQUIRED TO HAVE A CERTAIN PERCENTAGE OF VOLUNTEER HOURS TO STAFF HOURS TO MAINTAIN OUR STATUS AND MEET MEDICARE GUIDELINES

Identifier	Return Reference	Explanation
FORM 990, PART III, LINE 3	DESCRIPTION OF DISCONTINUED OPERATIONS	IN JANUARY 2011 THE HOSPITAL DISCONTINUED OPERATING ITS DME (DURABLE MEDICAL EQUIPMENT) DEPARTMENT OPERATING UNDER THE BUSINESS NAME OF SIERRA MEDICAL EQUIPMENT WITH SEVERAL OTHER COMPANIES IN THE COMMUNITY PROVIDING THE SAME SERVICES AND EQUIPMENT THE HOSPITAL FELT IT NO LONGER SERVED THE COMMUNITY'S NEEDS

Identifier	Return Reference	Explanation
FORM 990, PART III, LINE 4A	EXEMPT PURPOSE ACHIEVEMENTS	SIERRA VISTA REGIONAL HEALTH CENTER (SVRHC) OPERATES AN 84 BED SHORT-TERM PRIMARY CARE FACILITY IN RURAL ARIZONA SVRHC PROVIDES A FULL RANGE OF INPATIENT, OUTPATIENT, DIAGNOSTIC AND REHABILITATION SERVICES SERVICES PROVIDED FOR YEAR ENDED JUNE 30, 2011 INCLUDED 16,906 INPATIENT PATIENT DAYS, 100,093 OUTPATIENT REGISTRATIONS AND 26,570 EMERGENCY ROOM VISITS IN SUPPORT OF ITS MISSION AND PHILOSOPHY THE HOSPITAL PROVIDES CARE TO ALL PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS CHARITY CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN ITS ESTABLISHED RATES THE HOSPITAL DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE AND ACCORDINGLY THEY ARE NOT RECORDED AS REVENUE CHARITY CARE SERVICES TOTALED APPROXIMATELY $1,248,000 WHEN MEASURED AT THE HOSPITAL'S ESTABLISHED RATES THE HOSPITAL PROVIDES CARE TO PATIENTS WHO HAVE ENTERED THE COMMUNITY ILLEGALLY THE CHARGES FOR THESE PATIENTS ARE PARTIALLY REIMBURSED UNDER SECTION 1011 OF THE MEDICARE PRESCRIPTION DRUG IMPROVEMENT AND MODERNIZATION ACT OF 2003 THE UNREIMBURSED COSTS FOR SERVING THESE PATIENTS WERE APPROXIMATELY $12,000 PUBLIC PROGRAMS SUCH AS AHCCCS AND MEDICARE PROVIDE FOR THE POOR, INDIGENT AND ELDERLY PUBLIC PROGRAMS DO NOT ALWAYS COVER THE COSTS OF PROVIDING THESE SERVICES, THE UNREIMBURSED COSTS OF THE MEDICARE PROGRAM WERE APPROXIMATELY $8,186,000 BENEFITS PROVIDED TO THE COMMUNITY INCLUDE THE COST OF PROVIDING SERVICES TO OTHER POPULATIONS WHO MAY QUALIFY AS POOR BUT MAY NEED SPECIAL SERVICES AND SUPPORT THIS TYPE OF COMMUNITY BENEFIT INCLUDES THE COST OF PROGRAMS FOR SENIOR CITIZENS SUCH AS HEALTH PROMOTION AND EDUCATION, HEALTH CLINICS AND SCREENINGS, IT ALSO INCLUDES COSTS INCURRED BY THE HOSPITAL FOR TRAINING HEALTH PROFESSIONALS SUCH AS MEDICAL RESIDENTS, NURSING STUDENTS IN ALLIED HEALTH PROFESSIONALS THE HOSPITAL ALSO COMMITS SIGNIFICANT TIME AND RESOURCES TO ENDEAVORS AND CRITICAL SERVICES WHICH MEET OTHERWISE UNFILLED COMMUNITY NEEDS MANY OF THESE ACTIVITIES ARE SPONSORED WITH THE KNOWLEDGE THAT THEY WILL NOT BE FINANCIALLY VIABLE THE DEVELOPMENT OF THESE PROGRAMS IS BASED UPON A COMMUNITY ASSESSMENT PERFORMED BY AN INDEPENDENT COMPANY SUCH ENDEAVORS INCLUDE LOCAL CHARITIES, NOT-FOR-PROFIT ORGANIZATIONS, YOUTH GROUPS AND OTHER PATIENT SUPPORT GROUPS SUCH AS BUT NOT INCLUSIVE OF HEALTH SCREENINGS AND ASSESSMENTS, CANCER AND OTHER SUPPORT GROUPS, FREE TRANSPORTATION, MEALS AND MEDICATIONS FOR TRANSIENT PATIENTS WHEN NEEDED, THE AMERICAN HEART ASSOCIATION, MARCH OF DIMES, CANCER SOCIETY, AMERICAN RED CROSS, PRENATAL CLASSES, SENIOR OLYMPICS, HEALTH FAIRS, BLOOD PRESSURE CHECKS, HEALTH CAREER SCHOLARSHIPS FOR HIGH SCHOOL AND COLLEGE STUDENTS, BOY SCOUTS OF AMERICA, LITTLE LEAGUE AND PARTICIPATION IN REGULAR BLOOD DRIVES

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINE 11B	PROCESS USED BY MANAGEMENT &/OR GOVERNING BODY TO REVIEW 990	THE 990 IS PREPARED BY THE CONTROLLER CAREFULLY CONSIDERING THE ORGANIZATION'S ENTRIES ON THE RETURN THOSE QUESTIONS CONCERNING COMPENSATION HAVE BEEN REVIEWED WITH THE VICE PRESIDENT OF HUMAN RESOURCES AND ALL COMPENSATION HAS BEEN SUPPLIED BY THE HUMAN RESOURCES DEPARTMENT THE ENTIRE RETURN HAS BEEN REVIEWED FOR CORRECTNESS WITH THE CFO ONCE COMPLETED THE RETURN WAS THEN REVIEWED BY E&Y TAX DEPARTMENT BEFORE THE FINAL RETURN IS FILED, THE COMPLETED 990 AND 990T IS REVIEWED WITH THE FINANCE COMMITTEE OF THE BOARD HIGHLIGHTING THE AREAS OF SIGNIFICANCE TO A GOVERNING BODY A COMPLETED COPY IS MADE AVAILABLE FOR ALL TRUSTEES PRIOR TO FILING ANSWERS ARE PROVIDED TO ANY QUESTIONS OR CONCERNS

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINE 12C	PROCESS TO MONITOR TRANSACTIONS FOR CONFLICT OF INTEREST	THE ORGANIZATION HAS A CONFLICT OF INTEREST POLICY THE FOLLOWING PROCEDURES ARE EMPLOYED ALL OFFICERS, LEADERS OR IDENTIFIED OTHERS SHALL COMPLETE A CONFLICT OF INTEREST QUESTIONNAIRE AND SUBMIT IT TO THE HOSPITAL ANNUALLY THE TERM "CONFLICT OF INTEREST" MEANS THAT CIRCUMSTANCES WHERE THE BEST INTERESTS OF SIERRA VISTA REGIONAL HEALTH CENTER (SVRHC) CONFLICT WITH EITHER THE ECONOMIC, PROFESSIONAL, POLITICAL OR PERSONAL INTERESTS OF ONE OR MORE OFFICERS, LEADERS OR IDENTIFIED OTHER OF SVRHC THE RELATIONSHIP BETWEEN SVRHC AND ITS OFFICERS, LEADERS AND IDENTIFIED OTHERS IS ONE WHICH IS COMPLEX AND CHANGING THERE ARE CIRCUMSTANCES WHICH MAY EXIST WHICH MAY INTERTWINE THE INTERESTS OF SVRHC AND ITS OFFICERS, LEADERS AND IDENTIFIED OTHERS IN ORDER TO RECOGNIZE AND EFFECTIVELY DEAL WITH CIRCUMSTANCES OF THIS NATURE THE FOLLOWING POLICY HAS BEEN ADOPTED ANY AND ALL CONFLICTS OF INTEREST SHALL BE DISCLOSED TO THE HOSPITAL EITHER AT THE TIME OF HIRE, INCEPTION OF RELATIONSHIP AND/OR AT THE TIME OF AN INITIAL AGREEMENT/CONTRACT OR AT ANY TIME A CONFLICT OF INTEREST OCCURS A CONFLICT OF INTEREST QUESTIONNAIRE IS SUBMITTED TO THE HOSPITAL FAILURE TO COMPLETE AND SUBMIT A QUESTIONNAIRE WILL RESULT IN THE OFFICER LEADER OR IDENTIFIED OTHER BEING REMOVED FROM THEIR RELATIONSHIP WITH THE HOSPITAL WHILE THIS IS AN ANNUAL REQUIREMENT, IT IS NOT MEANT TO TAKE THE PLACE OF IMMEDIATE AND APPROPRIATE DISCLOSURE OF A CONFLICT OF INTEREST BY AN OFFICER, LEADER OR IDENTIFIED OTHER TO THE HOSPITAL WHEN CIRCUMSTANCES OCCUR ANY POTENTIAL CONFLICT OF INTEREST SHALL BE DISCLOSED TO THE HOSPITAL THE POTENTIAL CONFLICT WILL BE REVIEWED EITHER BY THE CEO/PRESIDENT OR HIS/HER DESIGNEE(S) OR BY THE BOARD OF TRUSTEES' CHAIRPERSON OR HIS/HER DESIGNEE(S) DEPENDING ON THE NATURE OF THE POTENTIAL CONFLICT A DECISION PERTAINING TO THE CONFLICT OF INTEREST AND THE OFFICER'S, LEADER'S AND IDENTIFIED OTHER'S ABILITY TO CONTINUE IN HIS/HER POSITION AND/OR RELATIONSHIP WILL BE DETERMINED AND SHARED WITH THE OFFICER, LEADER OR IDENTIFIED OTHER

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINES 15A AND 15B	PROCEDURES USED TO DETERMINE COMPENSATION	IT IS THE POLICY OF SIERRA VISTA REGIONAL HEALTH CENTER THAT AN EXECUTIVE'S BASE SALARY WILL BE MAINTAINED AT OR ABOVE THE 50TH PERCENTILE AND THAT ANNUALLY THE BOARD OF TRUSTEES WILL DEVELOP A COMPENSATION PLAN UTILIZING A THIRD PARTY CONSULTANT AND CURRENT MARKET DATA IT IS THE POLICY OF SIERRA VISTA REGIONAL HEALTH CENTER THAT EXECUTIVES WILL BE PAID AN INCENTIVE BONUS BASED UPON AN ANNUAL PLAN COMPRISED OF FINANCIAL AND NON-FINANCIAL METRICS APPROVED BY THE BOARD OF TRUSTEES, THE PLAN WILL BE APPROPRIATELY ALIGNED WITH THE PROBABILITY OF ACHIEVEMENT PROCEDURE - ENGAGE AN INDEPENDENT COMPANY TO CONDUCT A COMPENSATION VALUATION STUDY OF COMPENSATION ARRANGEMENTS IN TAX- EXEMPT ORGANIZATIONS UNDER THE INTERMEDIATE SANCTIONS LEGISLATION - THE INDEPENDENT COMPANY WILL PROVIDE THE SVRHC BOARD OF TRUSTEES' EXECUTIVE COMPENSATION COMMITTEE COMPETITIVE MARKET DATA TO INCLUDE A CONFIRMATION OF THE SCOPE, DATA CUTS AND SURVEY SOURCES WITH THE HUMAN RESOURCE TEAM PROVIDE MARKET COMPARABILITY DATA IN ORDER TO REVIEW THE COMPETITIVENESS OF SVRHC'S PROGRAM RESEARCH MARKET PRACTICES FOR BOTH SHORT AND LONG TERM PLANS TO DETERMINE ALIGNMENT REVIEW EXECUTIVE BENEFIT AND PERQUISITE PREVALENCE DATA - THE INDEPENDENT COMPANY WILL SELECT RELEVANT DATA AND ADJUST THE DATA TO ACCURATELY REFLECT THE SIZE AND SCOPE OF SVRHC'S ROLES AND MEDIAN REVENUE SIZE - THE INDEPENDENT COMPANY WILL UTILIZE THE SAME METHODOLOGY TO CONDUCT A REVIEW OF INCENTIVE BONUS PLANS FOR THE EXECUTIVE STAFF - THE INDEPENDENT COMPANY WILL CONSIDER THE FOLLOWING WHEN REVIEWING A PARTICULAR INDIVIDUAL'S COMPENSATION PRIOR SKILLS AND EXPERIENCE OF INCUMBENTS IN THE ROLE THE MIX OF COMPENSATION ELEMENTS AND OTHER REWARD COMPONENTS THE HOSPITAL'S PERFORMANCE VERSUS COMPARABLE PEER PERFORMANCE THE ABILITY OF THE HOSPITAL TO PAY AT COMPETITIVE LEVELS - THE INDEPENDENT COMPANY WILL MAKE RECOMMENDATIONS FOR COMPENSATION AND BONUS PERCENTAGES FOR THE EXECUTIVE STAFF TO THE SVRHC BOARD OF TRUSTEES EXECUTIVE COMPENSATION COMMITTEE - THE COMMITTEE WILL REVIEW THE RECOMMENDATIONS AND FORWARD THEM TO THE ENTIRE SVRHC BOARD OF TRUSTEES FOR APPROVAL

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINE 19	AVAILABILITY OF CERTAIN DOCUMENTS TO GENERAL PUBLIC	THE HOSPITAL MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST

Identifier	Return Reference	Explanation
FORM 990, PART XI, LINE 5	OTHER CHANGES IN NET ASSETS	UNREALIZED GAIN ON INVESTMENTS $ 2,377,438 TEMPORARILY RESTRICTED GRANTS AND CONTRIBUTIONS 52,047 AMOUNTS RELEASED FROM RESTRICTIONS (24,855) ---------- TOTAL $ 2,404,630 ==========

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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
SIERRA VISTA REGIONAL HEALTH CENTER INC

Employer identification number
86-0186064

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
(1) SVRHC PROPERTIES LLC 300 EL CAMINO REAL SIERRA VISTA, AZ 85635 86-0186064	MOB	AZ	0	0	NA

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) SVRHC FOUNDATION 300 EL CAMINO REAL SIERRA VISTA, AZ 85625 86-0729397	FUND RAISING	AZ	501(C)(3)	509 (A)(2)	NA		
(2) SIERRA VISTA COMMUNITY HOSPITAL AUX INC 300 EL CAMINO REAL SIERRA VISTA, AZ 85625 86-0431251	FUND RAISING	AZ	501(C)(3)	509 (A)(2)	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
(1) ARIZONA FAMILY CARE ASSOCIATES 6 SOUTH 2ND ST SIERRA VISTA, AZ85635	PHYSICIANS GROUP	AZ	NA	C CORP	0	0	59 170 %

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

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III or IV			
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		No
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		No
j Lease of facilities, equipment, or other assets from other organization(s)	1j		No
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		No
m Sharing of facilities, equipment, mailing lists, or other assets	1m	Yes	
n Sharing of paid employees	1n		No
o Reimbursement paid to other organization for expenses	1o		No
p Reimbursement paid by other organization for expenses	1p		No
q Other transfer of cash or property to other organization(s)	1q		No
r Other transfer of cash or property from other organization(s)	1r	Yes	

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) SVRHC FOUNDATION	C	126,009	
(2) SVRHC AUXILIARY	c	95,000	
(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.)

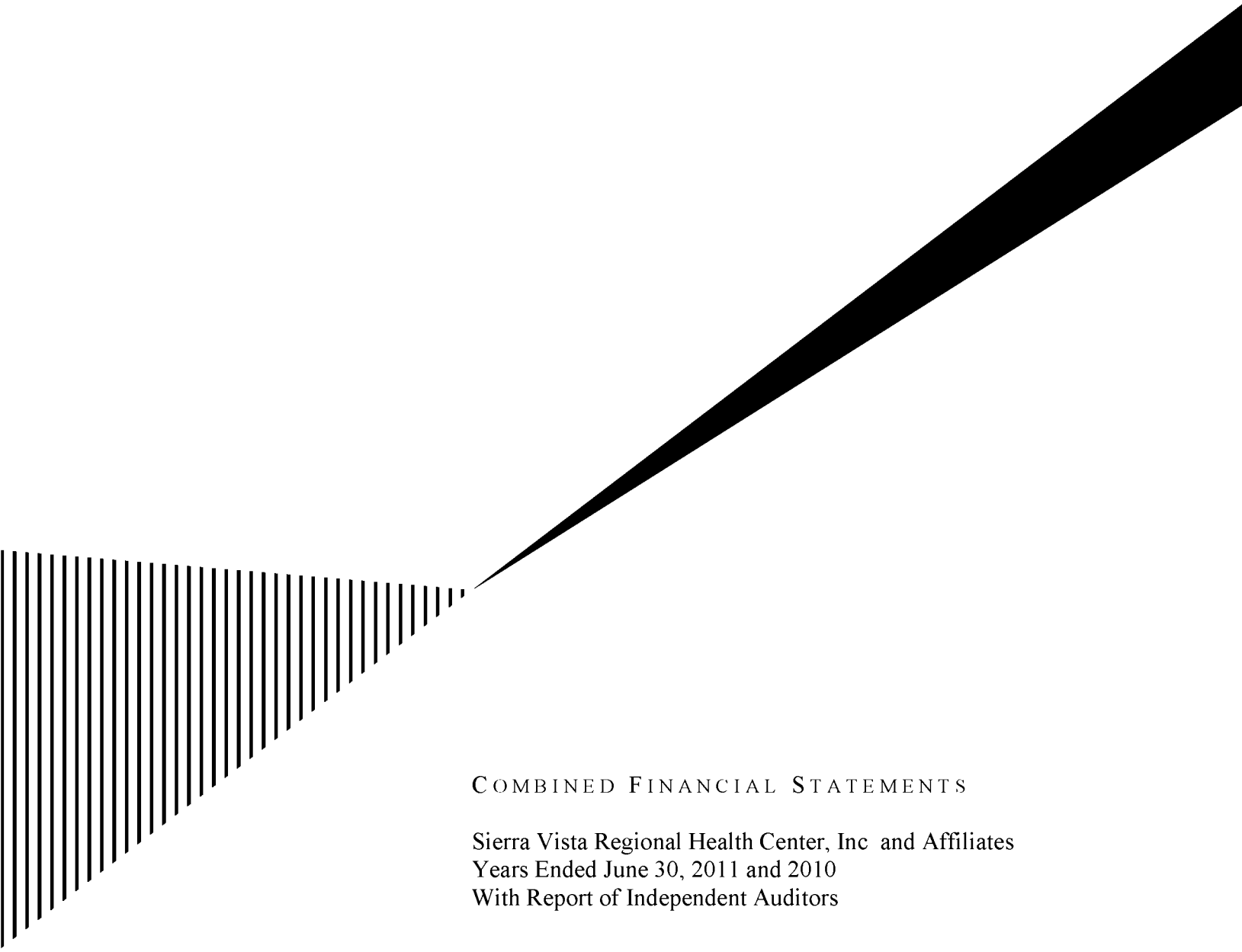
Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization See instructions regarding exclusion for certain investment partnerships

(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



COMBINED FINANCIAL STATEMENTS

Sierra Vista Regional Health Center, Inc and Affiliates
Years Ended June 30, 2011 and 2010
With Report of Independent Auditors

Ernst & Young LLP

ERNST & YOUNG

Sierra Vista Regional Health Center, Inc. and Affiliates

Combined Financial Statements

Years Ended June 30, 2011 and 2010

Contents

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Report of Independent Auditors

Board of Trustees
Sierra Vista Regional Health Center, Inc

We have audited the accompanying combined balance sheets of Sierra Vista Regional Health Center, Inc and Affiliates (the Company) as of June 30, 2011 and 2010, and the related combined statements of operations, changes in net assets, and cash flows for the years then ended These combined financial statements are the responsibility of the Company's management Our responsibility is to express an opinion on these combined financial statements based on our audits

We conducted our audits in accordance with auditing standards generally accepted in the United States Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement We were not engaged to perform an audit of the Company's internal control over financial reporting Our audits included 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 the Company's 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 combined financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall combined 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 combined financial position of Sierra Vista Regional Health Center, Inc and Affiliates at June 30, 2011 and 2010, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States

Ernst + Young LLP

August 24, 2011

Sierra Vista Regional Health Center, Inc. and Affiliates

Combined Balance Sheets

	June 30 2011	June 30 2010
Assets		
Current assets		
Cash and cash equivalents	**$ 12,040,116**	$ 13,025,498
Short-term investments	**4,536,652**	3,912,883
Patient accounts receivable, net of allowance for doubtful accounts of $2,822,000 and $1,477,000 at June 30, 2011 and 2010, respectively	**8,593,614**	7,837,954
AHCCCS SAVE program receivable	**764,737**	1,570,087
Inventories	**2,390,380**	2,099,777
Current portion of assets whose use is limited	**728,504**	702,005
Prepaid expenses and other	**1,994,828**	2,564,238
Total current assets	**31,048,831**	31,712,442
Assets whose use is limited, net of current portion	**3,184,383**	3,183,414
Investments	**44,894,204**	34,609,886
Property and equipment, net	**34,802,744**	36,873,701
Deferred financing costs, net	**540,195**	605,595
Interests in affiliates/other	**1,254,190**	670,144
Total assets	**$ 115,724,547**	$ 107,655,182
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued expenses	**$ 4,205,335**	$ 5,139,861
Accrued compensation	**3,810,337**	3,863,422
Estimated third-party settlements	**3,158,422**	1,632,878
Current portion of long-term debt	**1,147,979**	1,389,805
Total current liabilities	**12,322,073**	12,025,966
Long-term debt, net of current portion	**24,429,675**	25,564,416
Professional and general liabilities and other	**3,238,695**	3,394,971
Total liabilities	**39,990,443**	40,985,353
Net assets		
Unrestricted	**75,531,382**	66,501,261
Temporarily restricted	**202,722**	168,568
Total net assets	**75,734,104**	66,669,829
Total liabilities and net assets	**$ 115,724,547**	$ 107,655,182

See accompanying notes

Sierra Vista Regional Health Center, Inc. and Affiliates

Combined Statements of Operations

	Year Ended June 30	
	2011	**2010**
Revenues		
Net patient service revenue	**$ 96,183,264**	$ 97,698,585
Other operating revenue	**1,187,023**	1,382,914
Total revenues	**97,370,287**	99,081,499
Expenses		
Salaries and wages	**35,734,756**	37,346,111
Employee benefits	**8,095,803**	7,497,793
Supplies, services, and other	**33,448,412**	34,753,686
Provision for doubtful accounts	**4,192,925**	2,685,398
Professional fees	**2,781,107**	2,197,557
Interest	**1,830,633**	1,910,876
Depreciation and amortization	**6,200,886**	6,531,300
Net loss on disposal of equipment	**23,920**	43,375
Total expenses	**92,308,442**	92,966,096
Operating income	**5,061,845**	6,115,403
Other income		
Investment income	**1,413,524**	1,431,224
Net unrealized gains on investments	**2,379,275**	1,509,684
Other nonoperating revenue	**157,584**	187,103
Total other income	**3,950,383**	3,128,011
Excess of revenues over expenses	**$ 9,012,228**	$ 9,243,414

See accompanying notes.

Sierra Vista Regional Health Center, Inc. and Affiliates

Combined Statements of Changes in Net Assets

	Year Ended June 30	
	2011	**2010**
Unrestricted net assets		
Excess of revenues over expenses	**$ 9,012,228**	$ 9,243,414
Net assets released from restrictions used for purchase of property and equipment	**17,893**	113,168
Increase in unrestricted net assets	**9,030,121**	9,356,582
Temporarily restricted net assets		
Grants and contributions	**52,047**	54,255
Net assets released from restrictions used for purchase of property and equipment	**(17,893)**	(113,168)
Increase (decrease) in temporarily restricted net assets	**34,154**	(58,913)
Increase in net assets	**9,064,275**	9,297,669
Net assets, beginning of year	**66,669,829**	57,372,160
Net assets, end of year	**$ 75,734,104**	$ 66,669,829

See accompanying notes.

Sierra Vista Regional Health Center, Inc. and Affiliates

Combined Statements of Cash Flows

	Year Ended June 30	
	2011	**2010**
Operating activities		
Increase in net assets	**$ 9,064,275**	$ 9,297,669
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	**6,200,886**	6,531,300
Provision for doubtful accounts	**4,192,925**	2,685,398
Net loss on disposal of equipment	**23,920**	43,375
Amortization of bond discount	**12,181**	12,179
Net unrealized gains on investments	**(2,379,275)**	(1,509,684)
Changes in operating assets and liabilities		
Patient accounts receivable	**(4,948,585)**	(2,350,961)
Inventories	**(290,603)**	79,298
Prepaid expenses and other receivables	**1,374,760**	(95,784)
Assets limited as to use, net	**(27,468)**	(74,740)
Investments, net	**(8,528,812)**	(4,236,950)
Accounts payable and accrued expenses	**(934,526)**	622,186
Accrued compensation	**(53,085)**	166,370
Estimated third-party payor settlements	**1,525,544**	(850,277)
Net cash provided by operating activities	**5,232,137**	10,319,379
Investing activities		
Purchases of property and equipment, net	**(4,695,431)**	(7,509,828)
Proceeds from sales of property and equipment	**541,583**	29,400
Decrease in interests in affiliates	**52,702**	101,753
Net cash used in investing activities	**(4,101,146)**	(7,378,675)
Financing activities		
Payments on long-term debt	**(1,388,748)**	(1,283,300)
Decrease in other financing activities	**(571,349)**	(231,162)
(Decrease) increase in other liabilities	**(156,276)**	1,643,724
Net cash (used in) provided by financing activities	**(2,116,373)**	129,262
Net (decrease) increase in cash	**(985,382)**	3,069,966
Cash and cash equivalents, beginning of year	**13,025,498**	9,955,532
Cash and cash equivalents, end of year	**$ 12,040,116**	$ 13,025,498
Supplemental disclosures of cash flow information		
Cash paid for interest	**$ 1,755,443**	$ 1,835,742

See accompanying notes

Sierra Vista Regional Health Center, Inc. and Affiliates

Notes to Combined Financial Statements

June 30, 2011

1. Organization

Sierra Vista Regional Health Center, Inc (the Hospital) is an Arizona not-for-profit corporation exempt from income taxes The Hospital is an 81-bed acute care hospital that provides a full range of inpatient and outpatient services in Sierra Vista, Arizona, and Cochise County Services range from the inpatient units of medical/surgical, intensive care, progressive care, telemetry, obstetrics, and neonatal intensive care to an emergency room that serves as a base station for many emergency medical service providers Other outpatient services include diagnostic, rehabilitation, surgical, hospice, infusion, imaging center, outpatient surgery center, and clinics The existence of the full continuum of services allows the Hospital to function seamlessly and without interruption to patient care

Combination

The Hospital's affiliates include the Sierra Vista Community Hospital Foundation (the Foundation), the Sierra Vista Community Hospital Auxiliary (the Auxiliary), and Arizona Family Care Associates, Inc (AFCA) The accounts and transactions of the Foundation are combined with that of the Hospital The Auxiliary and AFCA are accounted for under the equity method of accounting

The accompanying combined financial statements include the accounts of the Hospital and all affiliates after elimination of intercompany accounts and transactions

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 Estimates also affect the reported amounts of changes in net assets during the reporting period Actual results could differ from those estimates

Cash and Cash Equivalents

Cash and cash equivalents includes certificates of deposit with original maturities of three months or less when acquired

2. Summary of Significant Accounting Policies (continued)

Patient Accounts Receivable

The Hospital grants credit without collateral to its patients, most of whom are local residents who are insured under third-party payor agreements The following table summarizes the percentage of gross accounts receivable from all payors as of June 30

	2011	2010
Medicare	**27%**	28%
AHCCCS	**24**	23
Other commercial third party	**42**	42
Self-pay and other	7	7
	100%	100%

Inventories

Inventories, consisting of drugs, medical devices, and medical supplies, are stated at the lower of cost (first-in, first-out method) or market

Investments

Investments with original maturities greater than three months but less than one year are classified as short-term investments Investments with maturities greater than one year are classified as long-term investments

Investments are carried at fair value based on quoted market values Investment income or loss (including realized or unrealized gains and losses on investments, interest, and dividends) is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment acquisitions are recorded at cost Depreciation is computed using the straight-line method, and is provided over the following estimated useful lives for each class of depreciable asset

	Years
Buildings and improvements	15-30
Land improvements	15-25
Equipment	3-10

Deferred Financing Costs

Certain costs incurred in connection with the issuance of long-term debt have been deferred and are being amortized over the life of the related debt using the straight-line method, which approximates the effective-interest method

Restricted Net Assets

The Hospital reports contributions of cash and other assets as temporarily or permanently restricted revenue if they are received with donor stipulations that limit the use of the donated assets When a donor restriction expires, restricted net assets are reclassified to unrestricted net assets and reported in the combined statements of operations and changes in net assets as released from restrictions Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions Donor restrictions have been imposed restricting usage of assets primarily for property and equipment and other purposes

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors Retroactive adjustments are accrued

2. Summary of Significant Accounting Policies (continued)

on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined

Other Operating Revenue

Other operating revenue consists primarily of cafeteria sales, donations, equity changes in affiliates, and radiology professional fees

Excess of Revenues Over Expenses

The combined statements of operations include a measurement for excess of revenues over expenses Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets)

Physician Income Guarantees

The Hospital enters into agreements with nonemployed physicians that include minimum net collection guarantees These guarantees arise out of a community need to recruit physicians in certain specialties to the areas surrounding the Hospital and provide a guaranteed level of income to the physicians for the first year of practice The guarantee provides a buffer between the physicians' actual collections on patient billings in this initial period and an agreed-upon income level based on the specialty The physicians are expected to practice in the area for a total period of three to four years Over the period subsequent to the guarantee period, amounts paid to the physicians during the guarantee period are ratably forgiven, resulting in income to the physicians in the years of forgiveness The estimated amount of the liability for the Hospital's obligation under these guarantees is approximately $856,000 and $863,000 at June 30, 2011 and 2010, respectively

Recent Accounting Pronouncements

In August 2010, a new accounting standard was issued relating to the accounting by an insured entity for claims incurred under claims-made insurance and retroactive insurance contracts Under this accounting standard, unless conditions that allow for the right of offset exist,

2. Summary of Significant Accounting Policies (continued)

offsetting prepaid insurance and receivables for expected recoveries from insurers against a recognized incurred but not reported liability, or the liability incurred as a result of a past insurable event, is no longer appropriate The application of this guidance will result in claims liabilities and related insurance recoveries being recorded on a gross basis This accounting guidance will be applied as of the beginning of the period of adoption, with a cumulative effect adjustment recorded in net assets as of the beginning of the period The new accounting standard is effective for fiscal years beginning July 1, 2011 The Hospital does not believe that the adoption of this standard will have a material impact on its combined financial statements

In August 2010, an accounting standard was released that will require the measurement of the amount of charity care provided to be based on the direct and indirect costs of providing that care This standard will be effective for the Hospital beginning July 1, 2011, with retrospective application to all periods presented The Hospital is currently evaluating the impact that the adoption of this accounting standard will have on its combined financial statements and disclosures

In July 2011, an accounting standard was released relating to the presentation and disclosure of patient service revenue, provision for doubtful accounts and the allowance for doubtful accounts for certain health care entities The accounting standard will require health care providers to report the provision for doubtful accounts as a reduction of net patient service revenue in the statement of operations In addition, the notes to the financial statements will include additional disclosures relating to the methods used to recognize net patient service revenue, amount of net patient service revenue recognized by major payor source, methods used to analyze the allowance for doubtful accounts by major payor source, and any significant changes to the allowance for doubtful accounts The accounting standard is effective for the Hospital's fiscal year beginning July 1, 2011 Management is currently evaluating the effect of adopting this accounting standard in the combined financial statements

Subsequent Events

The Hospital considers the accounting and disclosure of events or transactions that occur after the balance sheet date, but before the financial statements are issued There are two types of subsequent events recognized subsequent events, which provide additional evidence about conditions that existed at the balance sheet date, and nonrecognized subsequent events, which provide evidence about conditions that did not exist at the balance sheet date, but arose before the financial statements were issued Recognized subsequent events are required to be

2. Summary of Significant Accounting Policies (continued)

recognized in the financial statements, and nonrecognized subsequent events are required to be disclosed In the preparation of the accompanying combined financial statements, the Hospital has evaluated subsequent events through the date of issuance, August 24, 2011

Reclassifications

Certain reclassifications were made to the 2010 combined financial statements to conform to the classifications used in 2011 The reclassifications had no effect on the change in net assets or on net assets as previously reported

3. Net Patient Service Revenue

Net patient service revenue is reported at estimated net realizable amounts from patients and third-party payors for services rendered The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates A summary of the payment arrangements with major third-party payors follows

Medicare

Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge Outpatient services rendered are paid at prospectively determined rates using a set fee schedule These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors As of June 30, 2011, the Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through June 30, 2007

Arizona Health Care Cost Containment System (AHCCCS)

AHCCCS is Arizona's alternative to the Medicaid program and is designed to meet indigent health care needs The Hospital receives both a percentage of charges adjusted each year for any rate increase and per diem rates depending on the AHCCCS plan payor and the nature of the services provided

3. Net Patient Service Revenue (continued)

Other Third-Party Payors

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

4. Community Benefit and Charity Care

Traditional Charity Care

In support of its mission and philosophy, the Hospital provides care to all patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates The Hospital does not pursue collection of amounts determined to qualify as charity care The costs of these services were approximately $1,248,000 in fiscal 2011 and $1,166,000 in fiscal 2010

Care for Undocumented Patients

The Hospital provides care to patients who have entered the community illegally The charges for these patients are partially reimbursed under Section 1011 of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 The unreimbursed costs for serving these patients were approximately $12,000 in fiscal 2011 and $49,000 in fiscal 2010

Unpaid Costs of Public Programs

Public programs such as AHCCCS provide for the poor and indigent Public programs such as Medicare provide for the elderly Public programs do not always cover the costs of providing these services The unreimbursed costs of the AHCCCS program were approximately $1,831,000 in fiscal 2011 and $0 in fiscal 2010 The unreimbursed costs of the Medicare program were approximately $8,186,000 in fiscal 2011 and $10,789,000 in fiscal 2010

Other Community Benefit Programs

Community benefit includes the cost of providing services to other populations who may not qualify as poor, but may need special services and support This type of community benefit

4. Community Benefit and Charity Care (continued)

includes the cost of programs for senior citizens such as health promotion and education, health clinics, and screenings It also includes costs incurred by the Hospital for training health professionals such as medical residents, nursing students, and students in allied health professionals

The Hospital also commits significant time and resources to endeavors and critical services which meet otherwise unfilled community needs Many of these activities are sponsored with the knowledge that they will not be financially viable The development of these programs is based on a community health care assessment performed by an independent company The current community outreach programs are

Better Breathers Club	Bike Safety
Blood Pressure Checks	Cardiac Rehabilitation
Diabetes Support Group	Diabetes Education
Food Drives	Health Fairs
Hospice Bereavement Group	Mall Walkers Program
Parish Nurse Program	Perinatal Grief Support
Poison Safety Classes	Postpartum Depression Information
Power of Pink Breast Cancer	Prenatal Classes
Pulmonary Rehabilitation	Speakers Bureau
Smart Teen Eating Program	Smoke Support Group
Telecare Home Bound	Virtual Tour Kits for all Schools
Weight Management Program	Wellness Depot
Cholesterol Testing	Old Medication Disposal
VICAP space and supplies	H1N1 Awareness
Arthritis Programs	Chair Yoga
Water Safety	MRSA Awareness
Flu Precaution Programs	Kids Sports Teams First Aid Kits
Music Therapy	Sun Safety
Advanced Directives	Living Wills
Immunization Information	Bone Marrow Collection
Pulse Oxygen Tests	Body Mass Index
Southwest Snake Safety	Southwest Insect Safety
Arrhythmic Death Syndrome	Heart Safety

4. Community Benefit and Charity Care (continued)

The Hospital also sponsors events in the community through other health and welfare organizations which promote healthy life styles and/or disease prevention/information, these include

- American Cancer Society
- Little League
- United Way (numerous programs)
- Just Kids (clothing program)
- Youth Soccer Club
- High School Scholarships
- State of Arizona Kids Care
- American Red Cross Blood Drives
- Project Graduation (drug/alcohol free evening for graduating seniors)
- Forgach House (Battered Women/Children)
- Good Neighbor Alliance (Men's Shelter)
- March of Dimes
- Running Club
- Senior Olympics
- College Scholarships
- American Heart Association
- VICAP

5. Investments and Assets Whose Use Is Limited

A summary of investments (carried at fair value based upon quoted market prices) at June 30 follows

	2011	2010
Certificates of deposit	**$ 20,804,869**	$ 16,569,013
U S government agency and treasury securities	**4,365,606**	3,613,416
Municipal bonds	**1,485,039**	30,767
Corporate bonds	**8,314,968**	7,200,759
Common stocks	**10,497,596**	8,252,147
Mutual funds	**2,667,961**	2,201,557
Closed-end funds	**183,280**	197,200
Mortgage-backed securities	**1,111,537**	457,910
	49,430,856	38,522,769
Less short-term investments	**4,536,652**	3,912,883
	$ 44,894,204	$ 34,609,886

5. Investments and Assets Whose Use Is Limited (continued)

Assets whose use is limited represents assets held by a trustee under indenture agreements Assets whose use is limited are carried at fair value, based upon quoted market prices The debt reserve fund consists of U S government agency and treasury securities The other funds consist of money market funds The composition at June 30 follows

	2011	2010
Assets held by trustee under bond indenture		
Bond reserve fund	**$ 3,184,383**	$ 3,183,414
Bond principal fund	**586,382**	554,413
Bond interest fund	**142,122**	147,592
	3,912,887	3,885,419
Less current portion	**728,504**	702,005
	$ 3,184,383	$ 3,183,414

In 1998, the Hospital entered into agreements with a broker whereby the Hospital sold the future income stream pertaining to the Series 1997 bond reserve fund and the Series 1997, 1996A, 1996B, and 1996C principal and interest funds of the respective bonds in exchange for fees totaling $750,000 The terms of the agreements include provisions for termination penalties in certain events The Hospital recorded the proceeds received as an other long-term liability which is being amortized over the terms of the agreements under the interest method The unamortized balance was approximately $239,000 and $275,000 at June 30, 2011 and 2010, respectively

6. Fair Value Measurements

The Hospital utilizes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows

- *Level 1* – Pricing is based on observable inputs such as quoted prices in active markets Financial assets and liabilities in Level 1 generally include U S government agency and treasury securities and listed equities

- *Level 2* – Pricing inputs are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities Financial assets in this category generally include certificates of deposit, corporate bonds and loans, municipal bonds, mutual funds, closed-end funds, and mortgage-backed securities

- *Level 3* – Pricing inputs are generally unobservable and include situations where there is little, if any, market activity for the investment The inputs into the determination of fair value require management's judgment or estimation of assumptions that market participants would use in pricing the assets or liabilities The fair values are therefore determined using factors that involve considerable judgment and interpretations, including but not limited to private and public comparables, third-party appraisals, discounted cash flow models, and fund manager estimates

Assets measured at fair value are based on one or more of three valuation techniques The three valuation techniques are identified in the tables below Where more than one technique is noted, individual assets were valued using one or more of the noted techniques The valuation techniques are as follows

(a) *Market approach* – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities

(b) *Cost approach* – Amount that would be required to replace the service capacity of an asset (replacement cost)

6. Fair Value Measurements (continued)

(c) *Income approach* – Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing, and excess earnings models)

	Balance at June 30 2011	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Valuation Technique (a,b,c)
Cash and cash equivalents	$ 12,040,116	$ 12,040,116	$ –	$ –	(a)
Short-term investments					
Certificates of deposit	$ 2,836,801	$ –	$ 2,836,801	$ –	(a)
Government securities	588,573	588,573	–	–	(a)
Municipal bonds	30,249	–	30,249	–	(a)
Corporate bonds	1,081,029	–	1,081,029	–	(a)
Total short-term investments	$ 4,536,652	$ 588,573	$ 3,948,079	$ –	
Assets limited as to use				–	
Cash and cash equivalents	$ 1,949,061	$ 1,949,061	$ –	$ –	(a)
Government securities	1,963,826	1,963,826	–	–	(a)
Total assets limited as to use	$ 3,912,887	$ 3,912,887	$ –	$ –	
Long-term investments					
Certificates of deposit	$ 17,968,068	$ –	$ 17,968,068	$ –	(a)
Government securities	3,777,034	3,777,034		–	(a)
SVRHC municipal bonds	1,454,790	–	1,454,790	–	(a)
Corporate bonds	7,233,939	–	7,233,939	–	(a)
Common stocks	10,497,596	10,497,596	–	–	(a)
Mutual funds – bonds	2,667,960	2,667,960	–	–	(a)
Closed-end funds	183,280	–	183,280	–	(a)
Mortgage-backed securities	1,111,537	–	1,111,537	–	(c)
Total long-term investments	$ 44,894,204	$ 16,942,590	$ 27,951,614	$ –	

6. Fair Value Measurements (continued)

	Balance at June 30 2010	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Valuation Technique (a,b,c)
Cash and cash equivalents	$ 13,025,498	$ 13,025,498	$ –	$ –	(a)
Short-term investments					(a)
Certificates of deposit	$ 2,677,775	$ –	$ 2,677,775	$ –	(a)
Government securities	224,080	224,080	–	–	(a)
Corporate bonds	1,011,028	–	1,011,028	–	(a)
Total short-term investments	$ 3,912,883	$ 224,080	$ 3,688,803	$	
Assets limited as to use					
Cash and cash equivalents	$ 2,344,479	$ 2,344,479	$ –	$ –	(a)
Government securities	1,540,940	1,540,940	–	–	(a)
Total assets limited as to use	$ 3,885,419	$ 3,885,419	$ –	$ –	
Long-term investments					
Certificates of deposit	$ 13,891,238	$ –	$ 13,891,238	$ –	(a)
Government securities	3,389,336	3,389,336	–	–	(a)
Municipal bonds	30,767	–	30,767	–	(a)
Corporate bonds	6,189,731	–	6,189,731	–	(a)
Common stocks	8,252,147	8,252,147	–	–	(a)
Mutual funds – bonds	2,201,557	2,201,557	–	–	(a)
Closed-end funds	197,200	–	197,200	–	(a)
Mortgage-backed securities	457,910	–	457,910	–	(c)
Total long-term investments	$ 34,609,886	$ 13,483,040	$ 20,766,846	$ –	

The Hospital purchased a portion of their 2003 revenue bonds in December 2010 The purchase price was $1,463,250

7. Property and Equipment

A summary of property and equipment at June 30 follows

	2011	2010
Land and land improvements	**$ 2,832,263**	$ 2,832,263
Buildings, building improvements, and fixed equipment	**37,379,904**	37,094,087
Major and minor equipment	**44,959,626**	42,200,470
	85,171,793	82,126,820
Less accumulated depreciation	**52,308,606**	46,863,678
	32,863,187	35,263,142
Construction in progress	**1,939,557**	1,610,559
	$ 34,802,744	$ 36,873,701

The Hospital had no capitalized interest costs for fiscal 2011 or fiscal 2010

8. Long-Term Debt

A summary of long-term debt as of June 30 follows

	2011	2010
Industrial Development Authority Hospital Refunding Bonds, Series 2003, term bonds in the original amount of $2,670,000 at 6 00% fixed interest rate, maturing in December 2021, secured by the Hospital's land, buildings, and equipment	**$ 2,670,000**	$ 2,670,000
Industrial Development Authority Hospital Revenue Bonds, Series 2001, term bonds in the original amount of $6,625,000 at 7 75% fixed interest rate, maturing in December 2030, secured by the Hospital's land, buildings, and equipment	**5,421,631**	5,566,524
Industrial Development Authority Hospital Revenue Refunding Bonds, Series 1999A, term bonds in the original amount of $8,320,000 at 6 2% fixed interest rate, maturing in December 2021, secured by the Hospital's land	**6,973,448**	7,216,374
Industrial Development Authority Hospital Revenue Bonds, Series 1997, term bonds in the original amount of $6,500,000 at 6 45% fixed interest rate, maturing in December 2017, secured by the Hospital's land, buildings, and equipment	**2,925,000**	3,250,000
Industrial Development Authority Hospital Revenue Refunding Bonds, Series 1996A, term bonds in the original amount of $9,010,100 at 6 75% fixed interest rate, maturing in December 2026, secured by the Hospital's land, buildings, and equipment	**7,325,000**	7,550,000
Capital lease for equipment, monthly payments of principal and interest through July 2014, interest fixed at notes ranging from 3 9% to 5 5%	**262,575**	701,323
	25,577,654	26,954,221
Less current portion	**1,147,979**	1,389,805
	$ 24,429,675	$ 25,564,416

8. Long-Term Debt (continued)

Future aggregate principal payments on long-term debt as of June 30, 2011, follow

2012	$ 1,147,979
2013	1,176,451
2014	1,158,145
2015	1,220,000
2016	1,380,000
Thereafter	19,630,000
	25,712,575
Less unamortized discount	134,921
	$ 25,577,654

Pursuant to the terms of the bond indentures, the Hospital is required to maintain amounts on deposit with a trustee which may only be used to satisfy obligations as permitted by the trust agreements Such deposits are included in assets whose use is limited in the accompanying combined balance sheets

The Hospital is subject to certain financial covenants which have been complied with for the year ended June 30, 2011 In addition, the indenture places certain restrictions on the incurrence of additional indebtedness and the sale or acquisition of property

9. Lease Commitments

As of June 30, 2011, future minimum lease payments due under existing, noncancelable operating leases for buildings, equipment, and medical devices are as follows

2012	$ 1,184,016
2013	1,130,729
2014	504,215
2015	278,004
2016	246,973
	$ 3,343,937

10. Professional and General Liability Coverage

The Hospital is insured for professional liabilities under a claims-made policy with no deductible per claim An unlimited tail is in place for all claims prior to July 2006 The limit of liability is $11,000,000 per claim with a $20,000,000 aggregate limit In addition, the Hospital has general and umbrella liability coverage on a claims-made basis with a $5,000,000 aggregate limit

11. Employee Benefit Plan

The Hospital has a 403(b) employee benefit plan (the Plan) Under the terms of the Plan, the Hospital matches eligible participant contributions from 2 5% to 4 5% of gross pay based upon years of service as defined in the Plan agreement Eligible participants must contribute at least 2 5% to receive the employer match Participants are 100% vested in the value of their account attributable to their contributions and vest in the value of the account attributable to the employer's contributions over a five-year period The Hospital's contributions to the Plan were approximately $619,000 and $589,000 for the years ended June 30, 2011 and 2010, respectively

12. Commitment and Contingencies

Commitment

The Hospital has an unrecorded liability to the City of Sierra Vista to extend the road at Colonia de Salud The City is not requiring the Hospital to complete the road at this time, but will require it at some future date based upon traffic flow The Hospital will be responsible for one half of the cost to construct the road Since this will occur at some future unknown date, it is not possible to estimate an actual liability at this time

Health Care Regulatory Environment

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, and reimbursement for patient services, and Medicare and Medicaid fraud and abuse Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant

12. Commitment and Contingencies (continued)

repayments for patient services previously billed Management believes that the Hospital is in compliance with fraud and abuse as well as other applicable government laws and regulations 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

Litigation

The Hospital is party to pending or threatened lawsuits arising out of, or incident to, its ordinary course of business for which it carries professional liability and other insurance coverages In management's opinion, upon consultation with legal counsel, these matters will not have a material adverse effect on the Hospital's financial position

13. Functional Expenses

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

	2011	2010
Health care services	**$ 65,940,522**	$ 66,410,317
General and administrative	**26,367,920**	26,555,779
	$ 92,308,442	$ 92,966,096

14. Agreement With Carondelet Health Network

During fiscal 2010, the Company entered into a two-year Integrative Network Agreement with the Carondelet Health Network (CHN), who is a member of Ascension Health, the nation's largest nonprofit health care system The purpose of this agreement was to focus on improving clinical and quality outcomes as well as driving operational efficiencies

CHN and SVRHC mutually agreed to sever the formal Integrative Network Agreement on April 7, 2011 Both organizations continue to collaborate on improving clinical and quality outcomes There was no significant impact to the Hospital from the termination of this arrangement

15. Subsequent Events

The Hospital entered into a Management Services and Support Agreement with Community Healthcare of Douglas, Inc dba Southeast Arizona Medical Center (SAMC) as of July 14, 2011 The five-year agreement provides that SAMC delegates the power and authority to manage the day-to-day operations and administration of Southeast Arizona Medical Center to the Hospital SAMC will pay the Hospital an annual fee, reimburse the Hospital direct costs for services, plus a contingent annual fee based on profitability Under the terms of the agreement, the Hospital agrees to provide general administrative oversight, assist with human resource services, billing and financial management, marketing, purchasing, quality control, and other patient care related services The Hospital has the right to terminate the agreement with 90 day notice

The Hospital and SAMC executed a contract on July 7, 2011, for the Hospital to extend a $1,000,000 line of credit to SAMC The line of credit is secured by a security interest in substantially all of SAMC's assets and bears interest at the prime interest rate plus 225 basis points, but in no case less than 5 5% The loan matures in June 2016 No interest payments are due until January 2012, after which time monthly payments of interest are required Subsequent to June 30, 2011, there was a $680,000 draw on the line of credit

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