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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 09-01-2010 and ending 08-31-2011

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
POST OFFICE BOX 1232

City or town, state or country, and ZIP + 4
FRESNO, CA 937154821

D Employer identification number
94-1156276

E Telephone number
(559) 459-6000

G Gross receipts $ 1,249,886,146

F Name and address of principal officer
TIM JOSLIN
789 N MEDICAL CENTER DRIVE EAST
FRESNO, CA 93611

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 MEDWATCHTODAY COM

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1947 | **M** State of legal domicile CA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
FCH&MC'S MISSION IS TO IMPROVE THE HEALTH STATUS OF THE COMMUNITY AND TO PROMOTE MEDICAL EDUCATION

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	18
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	14
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	0
6	Total number of volunteers (estimate if necessary)	**6**	1,000
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	1,047,226	4,496,873
9	Program service revenue (Part VIII, line 2g)	1,012,726,037	1,191,502,576
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	10,237,869	7,054,220
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,206,501	4,893,454
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,027,217,633	1,207,947,123
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	2,075,903
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)	496,792,999	494,164,032
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)	521,099,634	596,860,638
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	1,017,892,633	1,093,100,573
19	Revenue less expenses Subtract line 18 from line 12	9,325,000	114,846,550

Revenue

Expenses

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	1,184,219,492	1,368,361,603
21	Total liabilities (Part X, line 26)	705,840,026	752,820,692
22	Net assets or fund balances Subtract line 21 from line 20	478,379,466	615,540,911

Net Assets or Fund Balances

Part II Signature Block

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

Sign Here

****** | 2012-07-10
Signature of officer | Date

ROGER FRETWELL CONTROLLER
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ▶☐	PTIN
TRACY S PAGLIA	TRACY S PAGLIA			

Firm's name ▶ MOSS ADAMS LLP | Firm's EIN ▶

Firm's address ▶ 3121 WEST MARCH LANE SUITE 100
STOCKTON, CA 952192303 | Phone no ▶ (209) 955-6100

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

FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER'S (FCH&MC'S) MISSION IS TO IMPROVE THE HEALTH STATUS OF THE COMMUNITY AND TO PROMOTE MEDICAL EDUCATION

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 $ 1,007,037,947 including grants of $ 2,075,903) (Revenue $ 1,191,502,576)

HEALTH CARE SERVICES FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER OPERATES THREE ACUTE HOSPITALS AND NUMEROUS OUTPATIENT CENTERS, CLINICS AND OTHER SERVICES WHICH MEET THE HEALTHCARE NEEDS OF THE COMMUNITY SEE SCHEDULE O FOR ADDITIONAL DETAILS

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** ▶ $ 1,007,037,947

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		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	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f		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	Yes	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *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**	Yes	
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	0		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c			
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	0		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b			
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	3a			No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		Yes	
b	If "Yes," enter the name of the foreign country ▶ CJ 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	18		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	14		
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	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .		7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

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

Section C. Disclosure

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

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 ▶

ROGER FRETWELL
1925 E DAKOTA STE 206
FRESNO, CA 937264821
(559) 459-6000

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								4,370,781	2,556,259	962,993

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 ▶ 597

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
CENTRAL CALIFORNIA FACULTY MEDICAL GROUP 445 S CEDAR AVE FRESNO, CA 93702	MEDICAL	24,532,498
COMMUNITY HOSPITALIST MEDICAL GROUP 1180 E SHAW AVENUE SUITE 101 FRESNO, CA 93710	MEDICAL	14,669,007
COMMUNITY REGIONAL ANESTHESIA 1180 E SHAW AVENUE SUITE 101 FRESNO, CA 93710	MEDICAL	6,212,660
HAMMEL GREEN & ABRAHAMSON INC 1410 ROCKY RIDGE DRIVE SUITE 250 ROSEVILLE, CA 95661	ARCHITECTURE	4,361,950
REGIONAL EMERGENCY MED GROUP 1180 E SHAW AVENUE SUITE 101 FRESNO, CA 93710	MEDICAL	3,517,097

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 ▶ 57

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	3,220,747			
	e Government grants (contributions)	1e	1,276,126			
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f . . . . . ▶		4,496,873			
Program Service Revenue		Business Code				
	2a MEDICAL SERVICE	900099	1,190,431,010	1,190,431,010		
	b INCOME FR PARTNERSHIPS	900099	958,937	958,937		
	c FEDERAL PROGRAM REVENU	900099	112,629	112,629		
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f . . . . . ▶		1,191,502,576			
	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		4,897,111			4,897,111
	4 Income from investment of tax-exempt bond proceeds . . ▶					
	5 Royalties . . . . . ▶					

		(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	44,096,132					
	b Less cost or other basis and sales expenses	41,939,023					
	c Gain or (loss)	2,157,109					
	d Net gain or (loss) . . . . . ▶			2,157,109			2,157,109
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 . . ▶						
	9a Gross income from gaming activities See Part IV, line 19 . a						
	b Less direct expenses . . . . . b						
	c Net income or (loss) from gaming activities . . . ▶						
	10a Gross sales of inventory, less returns and allowances . a						
	b Less cost of goods sold . . b						
	c Net income or (loss) from sales of inventory . . ▶						

	Miscellaneous Revenue	Business Code				
	11a HOSPITAL CAFETERIA REV	722320	3,210,180			3,210,180
	b GAIN ON EARLY EXTINGUI	900099	1,683,274			1,683,274
	c					
	d All other revenue					
	e **Total.** Add lines 11a–11d . . . . . ▶		4,893,454			
	12 **Total revenue.** See Instructions . . . ▶		1,207,947,123	1,191,502,576	0	11,947,674

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	2,075,903	2,075,903		
2 Grants and other assistance to individuals in the U S See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	6,461,636		6,461,636	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	393,577,606	360,603,279	32,974,327	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	17,487,817	16,414,169	1,073,648	
9 Other employee benefits	47,323,587	42,687,610	4,635,977	
10 Payroll taxes	29,313,386	26,382,047	2,931,339	
a Fees for services (non-employees) Management				
b Legal	20,702		20,702	
c Accounting	32,250		32,250	
d Lobbying				
e Professional fundraising services *See Part IV, line 17*				
f Investment management fees	308,939		308,939	
g Other	214,731,877	193,477,279	21,254,598	
12 Advertising and promotion	1,547,754		1,547,754	
13 Office expenses	133,319,262	127,317,116	6,002,146	
14 Information technology				
15 Royalties				
16 Occupancy	21,539,062	18,546,730	2,992,332	
17 Travel	914,244	914,244		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	126,526	126,526		
20 Interest	15,949,255	15,949,255		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	40,102,357	34,793,998	5,308,359	
23 Insurance	7,532,771	7,014,152	518,619	
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 PROVISION FOR BAD DEBT	105,782,241	105,782,241		
b DRUG COSTS	44,064,310	44,064,310		
c NET TRANSFER FROM SHF	5,105,530	5,105,530		
d				
e				
f All other expenses	5,783,558	5,783,558		
25 **Total functional expenses.** Add lines 1 through 24f	1,093,100,573	1,007,037,947	86,062,626	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		0	1	3
	2	Savings and temporary cash investments		74,054,664	2	83,776,078
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		128,463,458	4	138,512,978
	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	856,237
	8	Inventories for sale or use		11,109,870	8	10,641,340
	9	Prepaid expenses and deferred charges		1,531,271	9	27,992,500
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 952,649,048			
	b	Less accumulated depreciation	10b 342,679,984	509,376,368	10c	609,969,064
	11	Investments—publicly traded securities		158,536,004	11	249,277,777
	12	Investments—other securities See Part IV, line 11		164,187,030	12	62,744,404
	13	Investments—program-related See Part IV, line 11		6,367,148	13	35,676,856
	14	Intangible assets		2,693,030	14	3,119,033
	15	Other assets See Part IV, line 11		127,900,649	15	145,795,333
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		1,184,219,492	16	1,368,361,603
Liabilities	17	Accounts payable and accrued expenses		107,011,088	17	94,611,012
	18	Grants payable			18	
	19	Deferred revenue			19	38,493,808
	20	Tax-exempt bond liabilities		533,993,101	20	515,746,000
	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		28,681,658	23	28,086,440
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		36,154,179	25	75,883,432
	26	**Total liabilities.** Add lines 17 through 25		705,840,026	26	752,820,692
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		478,379,466	27	615,540,911
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		478,379,466	33	615,540,911
	34	Total liabilities and net assets/fund balances		1,184,219,492	34	1,368,361,603

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	1,207,947,123
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,093,100,573
3	Revenue less expenses Subtract line 2 from line 1	3	114,846,550
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	478,379,466
5	Other changes in net assets or fund balances (explain in Schedule O)	5	22,314,895
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	615,540,911

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
FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

Employer identification number
94-1156276

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).

Additional Data

Software ID:
Software Version:
EIN: 94-1156276
Name: FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
MICHAEL SYNN MD BOARD MEMBER	1 40	X						0	216,971	0
MARIO GONZALEZ JR MD BOARD MEMBER (THRU 12/31/10)	1 40	X						0	166,503	0
BRIAN PACHECO BOARD MEMBER	1 40	X						0	0	0
DAVID SLATER MD BOARD MEMBER	1 40	X						0	0	0
FARID ASSEMI BOARD MEMBER	1 40	X						0	0	0
FLORENCE DUNN BOARD MEMBER	1 40	X						0	0	0
GENE KALLSEN MD BOARD MEMBER (THRU 12/31/10)	1 40	X						0	0	0
JEFFREY THOMAS MD BOARD MEMBER	1 40	X						0	0	0
JERRY COOK BOARD MEMBER	1 40	X						0	0	0
JOHN MCGREGOR ESQUIRE BOARD MEMBER	1 40	X						0	0	0
KATHERINE FLORES MD BOARD MEMBER	1 40	X						0	0	0
KEVIN FOLLANSBEE BOARD CHAIR (THRU 12/31/10)	1 40	X		X				0	0	0
LINZIE DANIEL BOARD MEMBER	1 40	X						0	0	0
MANUEL CUNHA JR BOARD MEMBER	1 40	X						0	0	0
MARK BORBA BOARD CHAIR-ELECT	1 40	X		X				0	0	0
MICHAEL PETERSON MD BOARD MEMBER	1 40	X						0	0	0
RALPH GARCIA SECRETARY	1 40	X		X				0	0	0
SUSAN ABUNDIS BOARD CHAIR	1 40	X		X				0	0	0
TIM JOSLIN CHIEF EXECUTIVE OFFICER	70 00			X				0	967,420	396,576
PATRICK RAFFERTY EVP CHIEF OPERATIONS OFFICER	70 00			X				0	654,474	66,573
STEPHEN WALTER SVP CHIEF FINANCIAL OFFICER	70 00			X				0	550,891	60,231
THOMAS UTECHT SVP CHIEF QUALITY OFFICER	70 00				X			400,255	0	53,065
ABDUL KASSIR SVP MANAGED CARE	70 00				X			388,725	0	49,268
COLLEEN STROM VP QUALITY-RISK MGMT	70 00				X			242,431	0	16,286
MARY CONTRERAS SR VP CHIEF NURSING OFFICER	61 00				X			329,537	0	53,961

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)	Yes	
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	3,160,934	14,434,477		17,595,411
b Buildings		493,222,158	153,585,938	339,636,220
c Leasehold improvements		1,187,927	706,032	481,895
d Equipment		266,764,089	188,388,014	78,376,075
e Other		173,879,463		173,879,463
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				609,969,064

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
(1) DEBT ISSUANCE COSTS	8,244,424
(2) OTHER ASSETS	706,500
(3) RECEIVABLE FROM AFFILIATES	126,897,744
(4) SUPPLEMENTAL FUNDING	9,946,665
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	145,795,333

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
ASSET RETIREMENT OBLIGATION	3,861,803
GROUP HEALTH	2,061,182
MALPRACTICE - IBNR	2,997,000
PHYSICIAN GUARANTEE PAYABLE	3,116,794
WORKERS COMPENSATION RESERVE	39,862,000
MEDICARE AND MEDI-CAL SETTLEMENTS	23,984,653
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	75,883,432

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

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SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

Employer identification number
94-1156276

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

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☐ **Yes** ☐ **No**

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

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

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region or independent contractors	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for region/investments in region
CENTRAL AMERICA AND THE CARIBBEAN	0	0	INVESTMENT		1,025,800
3a Sub-total	0	0			1,025,800
b Total from continuation sheets to Part I	0	0			0
c Totals (add lines 3a and 3b)	0	0			1,025,800

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

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

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

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

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

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

Part IV Foreign Forms

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

Additional Data

Software ID:
Software Version:
EIN: 94-1156276
Name: FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

Part V **Supplemental Information**

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

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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
FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

Employer identification number
94-1156276

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 ____ %	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		No
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		
6a	Does the organization prepare a community benefit report during the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			12,494,000		12,494,000	1 270 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			177,280,000	100,251,000	77,029,000	7 800 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			189,774,000	100,251,000	89,523,000	9 070 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			628,000		628,000	0 060 %
f Health professions education (from Worksheet 5)			43,842,000		43,842,000	4 440 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)						
j **Total** Other Benefits			44,470,000		44,470,000	4 500 %
k **Total.** Add lines 7d and 7j			234,244,000	100,251,000	133,993,000	13 570 %

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?	1	Yes		
2	Enter the amount of the organization's bad debt expense (at cost)	2	105,782,241		
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	208,625,213
6	Enter Medicare allowable costs of care relating to payments on line 5	6	223,583,046
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-14,957,833
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 1 CA IMAGING INSTITUTE LLC	MEDICAL IMAGING	50 000 %	0 %	50 000 %
2 2 AMI REALTY PARTNERS LP	REAL ESTATE INVESTING	50 000 %	0 %	50 000 %
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? 3

	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	COMMUNITY REGIONAL MEDICAL CENTER 2823 FRESNO ST FRESNO,CA 93721	X	X		X	X		X		
2	CLOVIS COMMUNITY MEDICAL CENTER 2755 HERNDON CLOVIS,CA 93612	X	X					X		
3	FRESNO HEART AND SURGICAL HOSPITAL 15 E AUDUBON DR FRESNO,CA 93720	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? **6**

	Name and address	Type of Facility (Describe)
1	COMMUNITY SUBACUTE AND TRANSITIONAL CARE 3003 N MARIPOSA FRESNO,CA 93703	CARE FOR CHRONIC, SUBACUTE CONDITIONS
2	COMMUNITY SUBACUTE AND TRANSITIONAL CARE 3003 N MARIPOSA FRESNO,CA 93703	CARE FOR CHRONIC, SUBACUTE CONDITIONS
3	COMMUNITY SUBACUTE AND TRANSITIONAL CARE 3003 N MARIPOSA FRESNO,CA 93703	CARE FOR CHRONIC, SUBACUTE CONDITIONS
4	COMMUNITY SUBACUTE AND TRANSITIONAL CARE 3003 N MARIPOSA FRESNO,CA 93703	CARE FOR CHRONIC, SUBACUTE CONDITIONS
5	COMMUNITY SUBACUTE AND TRANSITIONAL CARE 3003 N MARIPOSA FRESNO,CA 93703	CARE FOR CHRONIC, SUBACUTE CONDITIONS
6	COMMUNITY SUBACUTE AND TRANSITIONAL CARE 3003 N MARIPOSA FRESNO,CA 93703	CARE FOR CHRONIC, SUBACUTE CONDITIONS
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 7 COSTING METHODOLOGY CHARITY CARE IS ESTIMATED BY CALCULATING THE RATIO OF COST PER ADJUSTED PATIENT DAY (EXCLUDING BAD DEBTS) AND THEN MULTIPLYING THAT RATIO BY THE ADJUSTED PATIENT DAYS ASSOCIATED WITH CHARITY CARE PATIENTS CMC DOES NOT UTILIZE A COST ACCOUNTING SYSTEM TO ESTIMATE THE COST OF CHARITY CARE

Identifier	ReturnReference	Explanation
		PART I, LINE 7, COLUMN (F) THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $ 105782241

Identifier	ReturnReference	Explanation
		PART III, LINE 4 ACCOUNTS RECEIVABLE - CMC'S PRIMARY CONCENTRATION OF CREDIT RISK IS PATIENT ACCOUNTS RECEIVABLE AND SB855 AND SB1255 DISPROPORTIONATE SHARE FUNDS RECEIVABLE, WHICH CONSIST OF AMOUNTS OWED BY VARIOUS GOVERNMENT AGENCIES, INSURANCE COMPANIES, AND PRIVATE PATIENTS CMC MANAGES THE RECEIVABLES BY REGULARLY REVIEWING ITS ACCOUNTS AND CONTRACTS AND BY PROVIDING APPROPRIATE ALLOWANCES FOR UNCOLLECTIBLE AMOUNTS CMC PROVIDES FOR ESTIMATED LOSSES ON PATIENT ACCOUNTS RECEIVABLE BASED ON PRIOR BAD DEBT EXPERIENCE UNCOLLECTIBLE RECEIVABLES ARE CHARGED-OFF WHEN DEEMED UNCOLLECTIBLE RECOVERIES FROM PREVIOUSLY CHARGED-OFF ACCOUNTS ARE RECORDED WHEN RECEIVED THE PRIMARY FACTOR USED TO ANALYZE PATIENT ACCOUNT RECEIVABLE BALANCES FOR DOUBTFUL ACCOUNTS (BAD DEBT), IS THE ORGANIZATION'S PREVIOUS, HISTORICAL, WRITE-OFF EXPERIENCE PATIENT SELF-PAY ACCOUNTS WITH UNUSUALLY LARGE BALANCES ARE REVIEWED INDIVIDUALLY PREVAILING ECONOMIC CONDITIONS ARE ALSO CONSIDERED BAD DEBT AND CHARITY CARE DO NOT INCLUDE DISCOUNTS GIVEN TO UNINSURED AND UNDERINSURED PATIENTS BAD DEBT IS NOT RECOGNIZED AS A COMMUNITY BENEFIT

Identifier	ReturnReference	Explanation
		PART III, LINE 8 INPATIENT CARE SERVICES, SKILLED NURSING SERVICES, REHABILITATION SERVICES, AND CERTAIN OUTPATIENT SERVICES RENDERED TO MEDICARE PROGRAM BENEFICIARIES ARE PAID AT PROSPECTIVELY DETERMINED RATES PER DIAGNOSIS THESE RATES VARY ACCORDING TO A PATIENT CLASSIFICATION SYSTEM THAT IS BASED ON CLINICAL, DIAGNOSTIC, AND OTHER FACTORS CERTAIN INPATIENT NONACUTE SERVICES AND MEDICAL EDUCATION COSTS RELATED TO MEDICARE BENEFICIARIES ARE PAID BASED ON A COST-BASED REIMBURSEMENT METHODOLOGY PROFESSIONAL SERVICES ARE REIMBURSED BASED ON A FEE SCHEDULE

Identifier	ReturnReference	Explanation
		PART III, LINE 9B THOSE PATIENT ELIGIBLE FOR FINANCIAL ASSISTANCE ARE GENERALLY SUBJECT TO THE NORMAL COLLECTION PROCEDURES FOR ALL PATIENTS THE FOLLOWING SPECIAL CIRCUMSTANCES MAY APPLY (1) RYAN WHITE PATIENTS ARE NOT SUBJECT TO COLLECTIONS ACTIVITY (2) FOR PATIENTS WHO LACK HEALTH INSURANCE COVERAGE, HAVE AN APPLICATION PENDING FOR EITHER GOVERNMENT-SPONSORED COVERAGE OR FOR CMCS CHARITY/DISCOUNTED CARE, OR HAVE OTHERWISE INDICATED THEY MAY QUALIFY FOR SUCH PROGRAMS, CMC WILL NOT KNOWINGLY SEND THE BILL TO A COLLECTION AGENCY PRIOR TO 150 DAYS FROM THE INITIAL TIME OF BILLING (3) FOR PATIENTS WHO LACK HEALTH INSURANCE COVERAGE, HAVE AN APPLICATION PENDING FOR EITHER GOVERNMENT-SPONSORED COVERAGE OR FOR CMCS CHARITY/DISCOUNTED CARE, OR HAVE OTHERWISE INDICATED THEY MAY QUALIFY FOR SUCH PROGRAMS, CMC WILL NOT FILE A CIVIL ACTION AGAINST THE PATIENT DUE TO NONPAYMENT UNTIL AFTER 150 DAYS FROM INITIAL BILLING (4) IF A PATIENT QUALIFIES FOR ASSISTANCE UNDER THIS POLICY, AND IS REASONABLY COOPERATING WITH THE HOSPITAL IN AN EFFORT TO SETTLE AN OUTSTANDING BILL, CMC WILL NOT SEND THE UNPAID BILL TO AN OUTSIDE COLLECTION AGENCY IF THE HOSPITAL KNOWS THAT DOING SO MAY NEGATIVELY IMPACT A PATIENTS CREDIT CMC WILL NOT SEND SUCH AN UNPAID BILL TO AN OUTSIDE COLLECTION AGENCY WITHOUT A WRITTEN AGREEMENT THAT THE COLLECTION AGENCY WILL COMPLY WITH CMCS COLLECTION POLICIES (5) THE 150-DAY GRACE PERIOD DISCUSSED ABOVE WILL BE EXTENDED IF THE PATIENT HAS A PENDING APPEAL FOR THE COVERAGE OF SERVICES UNTIL A FINAL DETERMINATION OF THAT APPEAL IS MADE, IF THE PATIENT MAKES A REASONABLE EFFORT TO COMMUNICATE WITH THE HOSPITAL ABOUT THE PROGRESS OF ANY PENDING APPEALS PENDING APPEALS INCLUDE (A) GRIEVANCE AGAINST A CONTRACTING HEALTH SERVICE PLAN, (B) AN INDEPENDENT MEDICAL REVIEW UNDER THE CALIFORNIA INSURANCE CODE, (C) FAIR HEARING FOR A REVIEW OF A MEDI-CAL CLAIM PURSUANT TO THE WELFARE AND INSTITUTIONS CODE, AND (D) APPEAL REGARDING MEDICARE COVERAGE CONSISTENT WITH FEDERAL LAW AND REGULATIONS

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 ACTIVITIES AND OUTREACH OF THE COMMUNITY SPECIAL SERVICES PROGRAM INCLUDE SERVING AS CO-CHAIR AND MEMBER OF COMMUNITY ACTION COUNCIL THE COUNCIL WAS CREATED TO PROVIDE EFFECTIVE, COMMUNITY-CENTERED SERVICES TO THOSE IN FRESNO COUNTY AT-RISK, INFECTED AND/OR DIRECTLY AFFECTED BY HIV/AIDS THROUGH COORDINATED SERVICE DELIVERY SERVING AS PARTNER/LIAISON WITH FRESNO COUNTY HOUSING AUTHORITIES SHELTER PLUS CARE PROGRAM, FUNDED BY THE STEWART B MCKINNEY HOMELESS ASSISTANCE ACT THE PROGRAM PROVIDES TENANT-BASED RENTAL ASSISTANCE TO DISABLED, HOMELESS INDIVIDUALS/FAMILIES BASED ON SERIOUS MENTAL DISORDERS, CHRONIC ALCOHOL AND DRUG PROBLEMS AND/OR AIDS OR RELATED DISEASES PARTICIPATING IN COMMON GROUNDS 100,000 HOMES CAMPAIGN THE FRESNO HOUSING AUTHORITY PARTNERED WITH OTHER COMMUNITY AGENCIES ON A WEEK-LONG EFFORT TO IDENTIFY AND HELP THE HOMELESS TO OBTAIN PERMANENT HOUSING PARTICIPATING FOR THE SECOND YEAR AS A SITE FOR THE CALIFORNIA MEDICAL MONITORING PROJECT, CONDUCTED BY THE U S CENTERS FOR DISEASE CONTROL TO COLLECT INFORMATION ON NEEDS/SERVICES INVOLVING HIV PATIENTS SERVING AS A CLINICAL TRIAL SITE FOR A NEW HIV MEDICATION THE CLINIC MEDICAL DIRECTOR COMPLETING TRAINING FOR HIGH RESOLUTION ENDOSCOPY FOR ANAL CANCER SCREENING CURRENTLY, PATIENTS NEEDING SCREENING MUST TRAVEL TO SAN FRANCISCO OR LOS ANGELES VOLUNTEERING AT THE TZU CHI FREE MEDICAL CLINICS NETWORKING WITH FIRST FIVE ON COMMUNITY RESOURCES FOR HIV/AIDS PREGNANT WOMEN AND HIV- EXPOSED CHILDREN PARTICIPATING IN A SPANISH-LANGUAGE EDUCATION SERIES SPONSORED BY GILEAD ON HIV/AIDS MEDICATION ADHERENCE, HEALTH AND WELLNESS SPONSORING WE WERE HERE, A DOCUMENTARY FILM ABOUT THE FIRST 30 YEARS OF HIV, AT THE REEL PRIDE FILM FESTIVAL PARTICIPATED IN PLANNING A WORLD AIDS DAY EVENT, SCHEDULED FOR DEC 1, 2011 AT THE TOWER THEATER PROVIDING FRESNO COUNTY DEPARTMENT OF PUBLIC HEALTH WITH VOLUNTEERS TO ASSIST WITH RAPID HIV TESTING AT THE COUNTY AND AT SPECIAL EVENTS SUCH AS SOBERSTOCK, NATIONAL HIV TESTING DAY AND LATINO HIV/AIDS AWARENESS DAY PROVIDING VOLUNTEERS TO WORK WITH AIDS ALLIANCE AT THE NATIONAL LEVEL COLLABORATING WITH UNITED STUDENT PRIDE AT CSU-FRESNO PARTICIPATING IN A HEALTH FAIR AT CLOVIS UNIFIED SCHOOL DISTRICT COLLABORATING WITH OTHER AREA HOSPITALS TO LINK PATIENTS WITH CARE PARTICIPATING IN A HEALTH FAIR AT CHOWCHILLA WOMENS PRISON PROVIDING HIV EDUCATION TO CSU-FRESNO MEDICAL STAFF PARTICIPATING IN CAMP CARE, AN EDUCATIONAL AND RELATIONSHIP-BUILDING EVENT FOR FAMILIES AFFECTED BY HIV/AIDS, SPONSORED BY ALL ABOUT CARE PARTICIPATING IN A HEALTH FAIR WITH GAYFRESNO CENTRAL VALLEY

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 COMMUNICATION OF FINANCIAL ASSISTANCE POLICIES WITH PATIENTS AND THE PUBLIC 1 CMC SHALL POST NOTICES REGARDING THE AVAILABILITY OF FINANCIAL ASSISTANCE TO LOW-INCOME, UNINSURED AND UNDER-INSURED PATIENTS THESE NOTICES WILL BE POSTED IN VISIBLE LOCATIONS THROUGHOUT THE HOSPITAL, INCLUDING BUT NOT LIMITED TO A ADMITTING/REGISTRATION,B CASHIER WINDOWS,C EMERGENCY DEPARTMENT, ANDD OTHER APPROPRIATE OUTPATIENT SETTINGS 2 THESE POSTED NOTICES REGARDING FINANCIAL ASSISTANCE POLICIES SHALL CONTAIN BRIEF INSTRUCTIONS ON HOW TO APPLY FOR CHARITY CARE OR A DISCOUNTED PAYMENT THE NOTICES WILL ALSO INCLUDE A CONTACT TELEPHONE NUMBER THAT A PATIENT OR FAMILY MEMBER CAN CALL TO OBTAIN MORE INFORMATION 3 CMC WILL ENSURE THAT APPROPRIATE STAFF MEMBERS ARE KNOWLEDGEABLE ABOUT THE EXISTENCE OF THE HOSPITAL'S FINANCIAL ASSISTANCE POLICIES INCLUDING THE RYAN WHITE PROGRAM TRAINING WILL BE PROVIDED TO STAFF MEMBERS (E G , BILLING OFFICE, FINANCIAL DEPARTMENT, ETC) WHO DIRECTLY INTERACT WITH PATIENTS REGARDING THEIR HOSPITAL BILLS 4 WHEN COMMUNICATING TO PATIENTS REGARDING THEIR FINANCIAL ASSISTANCE POLICIES, EMPLOYEES WILL ATTEMPT TO DO SO IN THE PRIMARY LANGUAGE OF THE PATIENT, OR HIS/HER FAMILY, IF REASONABLY POSSIBLE, AND IN A MANNER CONSISTENT WITH ALL APPLICABLE FEDERAL AND STATE LAWS AND REGULATIONS 5 PATIENTS (ADMITTED PATIENTS, AS WELL AS THOSE WHO RECEIVE EMERGENCY OR OUTPATIENT CARE) WILL BE GIVEN WRITTEN NOTICE REGARDING FINANCIAL ASSISTANCE, INCLUDING ELIGIBILITY AND CONTACT INFORMATION THAT IS IN THE PRIMARY LANGUAGE SPOKEN BY THE PATIENT, AS DETERMINED BY CALIFORNIA INSURANCE CODE SECTION 12693 30 (POPULATIONS OVER 5% SERVED BY THE HOSPITAL) AND IN A MANNER CONSISTENT WITH ALL APPLICABLE FEDERAL AND STATE LAWS AND REGULATIONS 6 CMC WILL SHARE ITS POLICY WITH APPROPRIATE COMMUNITY HEALTH AND HUMAN SERVICES AGENCIES AND OTHER ORGANIZATIONS THAT ASSIST SUCH PATIENTS 7 THE RYAN WHITE SLIDING FEE SCALE IS UPDATED YEARLY ACCORDING TO THE FEDERAL POVERTY GUIDELINES 8 ALL PATIENTS WHO POTENTIALLY QUALIFY FOR DISCOUNTS FOR SERVICES UNDER RYAN WHITE WILL HAVE THEIR FINANCIAL ELIGIBILITY TESTED EVERY SIX MONTHS

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 COMMUNITY CONTINUES TO SEEK CREATIVE SOLUTIONS AND PARTNERSHIPS THAT OFFER HEALTH BENEFITS TO VALLEY'S UNIQUE AND GROWING NEEDS COMMUNITY HAS INCREASINGLY FOCUSED ON PATIENTS WHO LACK ACCESS TO PRIMARY CARE PHYSICIANS AND, AS A RESULT, REPEATEDLY USE THE EMERGENCY DEPARTMENT FOR THEIR CARE IN SEPTEMBER 2009, COMMUNITY REGIONAL ESTABLISHED THE COMMUNITY CONNECTIONS PROGRAM STAFF MEMBERS (2 5 FTES AND AN ADDITIONAL FTE ADDED IN 2011) HAVE SINCE WORKED WITH 188 CLIENTS ATTEMPTING TO PROVIDE INTENSIVE OUTREACH AND CASE MANAGEMENT SERVICES DURING LAST FISCAL YEAR, THEY PROVIDED 1,204 FACE-TO-FACE CONTACTS (TO CLIENTS, SERVICES PROVIDERS, FAMILY), 2,876 ADDITIONAL TELEPHONE, E-MAIL, WRITTEN CONTACTS RELATED TO CASE MANAGEMENT SERVICES, 4,075 SERVICES INCLUDING ASSISTANCE AND LINKAGE WITH SERVICES, ATTENDING APPOINTMENTS, AND CLIENT SERVICES SUCH AS REFERRAL/ENROLLMENT ASSESSMENTS, CONSULTATION WITH SERVICE PROVIDERS, CARE PLAN DEVELOPMENT, AND MONITORING AND SUPPORT DUE TO THE SPECIAL NEEDS OF PATIENTS WITH CHRONIC DISEASES, COMMUNITY CONNECTIONS ADDED A FULL TIME MASTER'S OF SOCIAL WORK EMPLOYEE IN 2011 WHO IS DEDICATED TO FREQUENT SERVICE USERS SOME HAVE DIFFICULTY MANAGING THEIR DIABETES BECAUSE OF HOUSING, SUBSTANCE ABUSE, MENTAL ILLNESS, LACK OF INSURANCE OR A PRIMARY CARE PROVIDER OR INABILITY TO EASILY ACCESS PUBLIC BENEFIT AND SOCIAL SERVICES COMMUNITY CONNECTIONS LINKS WITH INTERNAL AS WELL AS COMMUNITY-BASED ORGANIZATIONS AND SOCIAL SERVICES RESOURCES COMMUNITY CONNECTIONS IS IN THE EARLY STAGES OF COLLABORATING WITH PROJECT BOOST, AN INITIATIVE BEING IMPLEMENTED AT COMMUNITY REGIONAL TO REDUCE PREVENTABLE HOSPITAL READMISSIONS COMMUNITY CONNECTIONS CONTINUES TO PARTNER WITH THE HOUSING AUTHORITIES OF THE CITY AND COUNTY OF FRESNO, PROVIDING HOUSING VOUCHERS FOR INDIVIDUALS WHO HAVE A DISABILITY AND ARE HOMELESS THE PROGRAM ALSO COLLABORATES WITH AGENCIES SUCH AS THE FRESNO COUNTY DEPARTMENT OF BEHAVIORAL HEALTH, POVERELLO HOUSE, FRESNO MEDICAL RESPITE CENTERS, AND THE FRESNO-MADERA CONTINUUM OF CARE COMMUNITY CONNECTIONS CONTINUES TO TRACK OUTCOME DATA UTILIZING A PRE- AND POST-ENROLLMENT METHODOLOGY THE RESULTS BELOW SHOW SUCCESS WITH A DECREASE IN CLIENT UTILIZATION OF COMMUNITY REGIONAL'S EMERGENCY DEPARTMENT, INPATIENT ADMITS, AND LENGTH OF STAY AS WELL AS THE ASSOCIATED CHARGES MANY CLIENTS IN THEIR FIRST MONTHS OF ENROLLMENT WERE CONNECTED TO A PRIMARY CARE PROVIDER, SPECIALTY CLINICS, INSURANCE, MENTAL HEALTH AND SUBSTANCE ABUSE TREATMENT, HOUSING, AND OTHER BENEFITS THAT CONTRIBUTED TO DECREASED HOSPITAL UTILIZATION AND INCREASED THEIR QUALITY OF LIFE AND OVERALL STABILIZATION

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 1 COMMUNITY HAS HISTORICALLY SPENT MORE ON UNCOMPENSATED COMMUNITY BENEFITS THAN ALL OTHER FRESNO-AREA HOSPITALS COMBINED AND, SOME YEARS, NEARLY DOUBLE THEIR COMBINED TOTAL 2 IT ALSO OPERATES THE ONLY COMBINED BURN AND LEVEL 1 TRAUMA UNITS BETWEEN LOS ANGELES AND SACRAMENTO 3 COMMUNITY CONTINUES TO SEEK THE VIEWS OF HEALTH CARE, SOCIAL JUSTICE, BUSINESS, EDUCATION AND POLITICAL LEADERS THROUGH MEETINGS WITH THE CHIEF EXECUTIVE OFFICER AND SENIOR LEADERSHIP

Identifier	ReturnReference	Explanation
		PART VI, LINE 7 N/A

Identifier	ReturnReference	Explanation
REPORTS FILED WITH STATES	PART VI, LINE 7	CA

Identifier	ReturnReference	Explanation
		AMONG OTHER ACTIVITIES 1 COMMUNITY IS A MEMBER OF THE PARTNERSHIP FOR HEALTH PROFESSIONS EDUCATION OF THE UCSF FRESNO LATINO CENTER FOR MEDICAL EDUCATION AND RESEARCH, WHICH ADVANCES DEVELOPMENT OF HEALTH PROFESSIONALS AT THE JUNIOR HIGH, HIGH SCHOOL AND COLLEGE LEVELS 2 COMMUNITY'S POST-GRADUATE YEAR ONE (PGY1) PHARMACY RESIDENCY PROGRAM CONTINUES TO HELP ADDRESS THE SHORTAGE OF PHARMACISTS IN THE CENTRAL VALLEY (A) COMMUNITY HAS CONTINUED ACCREDITATION FROM THE AMERICAN SOCIETY OF HEALTH SYSTEM PHARMACISTS, THE NATIONAL ACCREDITING ORGANIZATION FOR PHARMACY RESIDENCY PROGRAMS (B) COMMUNITY'S RESIDENCY PROGRAM ALLOWS RESIDENTS TO LEARN AND EXPAND THEIR CLINICAL KNOWLEDGE BASE BY WORKING WITH THE MOST EXPERIENCED PEOPLE IN A MULTI-DISCIPLINARY HEALTH CARE SYSTEM PHARMACISTS ALSO SERVE AS PRECEPTORS TO HELP DEVELOP THE RESIDENTS' SKILLS, KNOWLEDGE BASE, AND MENTOR THEM WITH VARIOUS PROJECTS THAT HELP PATIENT CARE, AND GIVE POSITIVE EXPOSURE FOR COMMUNITY'S REPUTATION NATIONALLY THROUGH PHARMACY RESIDENCY SHOWCASES, RESEARCH POSTER SESSIONS AND PRESENTATIONS (C) RESIDENTS ARE ENCOURAGED TO PARTICIPATE IN RESEARCH PROJECTS THAT DIRECTLY IMPACT PATIENT CARE, PROVIDING COST SAVINGS TO COMMUNITY, OR WORK ON PERFORMANCE IMPROVEMENTS WITHIN PHARMACY SERVICES EACH RESIDENT IS REQUIRED TO PRESENT THESE FINDINGS AT A NATIONAL CONFERENCE POSTER PRESENTATION EACH DECEMBER, A FINAL SUMMATION OF THE PROJECT IS PRESENTED AT A REGIONAL CONFERENCE TOWARDS THE END OF THE RESIDENCY YEAR, AS WELL AS A "PLAN, DO, STUDY, ACT" PROJECT THAT IS SUBMITTED TO THE BEST PRACTICES SUMMIT CURRENT RESEARCH PROJECT TITLES "COMPARING THE COST OF TREATING ACUTE AGITATION IN THE EMERGENCY DEPARTMENT WITH AND WITHOUT THE USE OF A STANDARDIZED ORDER SET" AND "COST EFFECTIVENESS OF LEVETIRACETAM VERSUS PHENYTOIN FOR EARLY POST TRAUMATIC SEIZURE PROPHYLAXIS " (D) COMMUNITY CONTINUES TO USE A PATIENT SATISFACTION TOOL CALLED THE "MED CHECK" PROGRAM PHARMACY RESIDENTS PROVIDE EDUCATION TO PATIENTS ABOUT SIDE EFFECTS ON SELECTED MEDICATIONS IN THE HOSPITAL THIS INITIATIVE IS BENEFICIAL TO BOTH PHARMACY RESIDENTS AND PATIENTS, AS PHARMACY RESIDENTS GAIN EXPERIENCE IN COUNSELING PATIENTS, AND PATIENTS HAVE A BETTER UNDERSTANDING OF THEIR MEDICATIONS' SIDE EFFECTS (E) A TOTAL OF 21 RESIDENTS HAVE SUCCESSFULLY COMPLETED THE RESIDENCY PROGRAM COMMUNITY CURRENTLY EMPLOYS 9 OF THE 21 FOR AN EMPLOYMENT RATE OF 43% (F) COMMUNITY ALSO GIVES BACK TO THE PHARMACY PROFESSION BY HAVING RESIDENTS AND CLINICAL PHARMACISTS PRECEPT AND MENTOR UNIVERSITY OF CALIFORNIA, SAN FRANCISCO AND THOMAS J LONG, UNIVERSITY OF PACIFIC PHARMACY STUDENTS (H) RESIDENTS ARE AFFORDED THE OPPORTUNITY TO GIVE A LECTURE WHICH PROVIDES CONTINUING EDUCATION CREDITS FOR PHARMACISTS, IN CONJUNCTION WITH THE UCSF SCHOOL OF PHARMACY

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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
FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

Employer identification number
94-1156276

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . ☐ Yes ☑ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Part II can be duplicated if additional space is needed. . . . ▶ ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) SANTE HEALTH FOUNDATION1925 E DAKOTA STE 206 FRESNO,CA 93726	20-0517238	501(C)(3)	1,900,000				GENERAL SUPPORT
(2) AMERICAN SOCIETY FOR METABOLIC & BARIATRIC SURGERY100 SW 75TH STREET SUITE 201 GAINESVILLE,FL 32607	52-1203109	501(C)(3)	75,000				RESEARCH SUPPORT
(3) CLINICAL RESEARCH INSTITUTE FOR MINIMALLY INVASIVE METABOLIC SURGERY 1690 W SHAW AVENUE SUITE 210 FRESNO,CA 93711	20-5415810	501(C)(3)	50,000				RESEARCH SUPPORT
(4) CLOVIS UNIFIED SCHOOL DISTRICT1450 HERNDON AVENUE CLOVIS,CA 93611		CLOVIS USD	20,000				GENERAL SUPPORT

2 Enter total number of section 501(c)(3) and government organizations . . . . ▶ 4

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

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

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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
FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

Employer identification number
94-1156276

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☐ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☐ Compensation survey or study ☐ Form 990 of other organizations ☐ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment from the organization or a related organization?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	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**	Yes	
b	Any related organization?	**5b**	Yes	
	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**	Yes	
b	Any related organization?	**6b**	Yes	
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

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

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	PART I, LINE 4B	TIM JOSLIN, THE CEO, HAS A SERP THE SENIOR V P S PARTICIPATE IN A SERP STRUCTURED TO PROMOTE RETENTION THE FOLLOWING CONTRIBUTIONS WERE MADE IN 2010 - TIM JOSLIN $372,412 - PATRICK RAFFERTY $44,859 - STEPHEN WALTER $38,517 - CRAIG CASTRO $45,001 - JACK CHUBB $42,000 - WANDA HOLDERMAN $35,000 - THOMAS UTECHT $31,351 - ABDUL KASSIR $27,554 - MARY CONTRERAS $26,000
	PART I, LINE 5	THE COMMUNITY MEDICAL CENTERS EXECUTIVE INCENTIVE PLAN IS DESIGNED TO MOTIVATE AND REWARD KEY MEMBERS OF THE EXECUTIVE TEAM FOR MEETING SPECIFIC AND MEASURABLE GOALS AT THE HEALTH SYSTEM AND INDIVIDUAL LEVELS THE MAIN OBJECTIVES OF THE PLAN ARE - MOTIVATE EXECUTIVES AND REWARD THEM FOR IMPROVING CMC'S OPERATIONAL PERFORMANCE, - INCREASE COMMUNITY INVOLVEMENT AND EFFECTIVENESS, - INCREASE EXECUTIVE COMMITMENT TO CMC'S SHORT AND LONG TERM GOALS, - PROVIDE EXECUTIVES WITH COMPETITIVE BUT REASONABLE COMPENSATION, AND ATTRACT AND RETAIN HIGHLY TALENTED EXECTUVIES THAT ARE CRITICALLY IMPORTANT TO THE SUCCESS OF CMC
	PART I, LINE 6	SEE RESPONSE FOR QUESTION 5
SUPPLEMENTAL INFORMATION	PART III	PART I, LINE 3 THE ORGANIZATION RELIED ON A RELATED ORGANIZATION THAT USED ONE OR MORE OF THE METHODS TO ESTABLISH THE TOP MANAGEMENT OFFICIAL'S COMPENSATION

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 94-1156276
Name: FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
MICHAEL SYNN MD	(I)	0	0	0	0	0	0	0
	(II)	216,971	0	0	0	0	216,971	0
MARIO GONZALEZ JR MD	(I)	0	0	0	0	0	0	0
	(II)	166,503	0	0	0	0	166,503	0
TIM JOSLIN	(I)	0	0	0	0	0	0	0
	(II)	710,282	257,138	0	384,662	11,914	1,363,996	0
PATRICK RAFFERTY	(I)	0	0	0	0	0	0	0
	(II)	480,038	174,436	0	54,659	11,914	721,047	0
STEPHEN WALTER	(I)	0	0	0	0	0	0	0
	(II)	414,585	136,306	0	48,317	11,914	611,122	0
THOMAS UTECHT	(I)	309,728	90,527	0	41,151	11,914	453,320	0
	(II)	0	0	0	0	0	0	0
ABDUL KASSIR	(I)	292,675	96,050	0	37,354	11,914	437,993	0
	(II)	0	0	0	0	0	0	0
COLLEEN STROM	(I)	196,863	45,568	0	7,925	8,361	258,717	0
	(II)	0	0	0	0	0	0	0
MARY CONTRERAS	(I)	255,777	73,760	0	45,600	8,361	383,498	0
	(II)	0	0	0	0	0	0	0
CRAIG CASTRO	(I)	452,713	144,202	0	57,251	993	655,159	0
	(II)	0	0	0	0	0	0	0
JACK CHUBB	(I)	419,779	91,770	0	51,800	11,914	575,263	0
	(II)	0	0	0	0	0	0	0
WANDA HOLDERMAN	(I)	326,392	106,203	0	44,800	8,361	485,756	0
	(II)	0	0	0	0	0	0	0
CRAIG WAGONER	(I)	232,235	58,749	0	9,138	11,914	312,036	0
	(II)	0	0	0	0	0	0	0
GEORGE LUENA	(I)	257,870	500	0	8,808	8,361	275,539	0
	(II)	0	0	0	0	0	0	0
BRUCE KINDER	(I)	201,529	26,824	0	12,156	8,361	248,870	0
	(II)	0	0	0	0	0	0	0
KAREN BUCKLEY	(I)	204,670	27,418	0	8,160	0	240,248	0
	(II)	0	0	0	0	0	0	0
GREGORY RUBIOLO	(I)	275,032	500	0	7,467	10,113	293,112	0
	(II)	0	0	0	0	0	0	0
LAURIE ALVERS	(I)	148,843	34,604	0	7,436	0	190,883	0
	(II)	0	0	0	0	0	0	0

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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
FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

Employer identification number
94-1156276

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	CENTRAL CALIF JOINT POWERS FINANCING AUTHORITY	20-1563466	130493BL2	10-08-2009	206,029,314	CONSTRUCT & EQUIP FACILITY		X		X		X
B	COMMUNITY MUNICIPAL FINANCE AUTHORITY	20-1563466	130493AT6	05-16-2007	330,722,470	CONSTRUCTION		X		X		X
C	COMMUNITY MUNICIPAL FINANCE AUTHORITY	20-1563466		04-23-2009	20,515,304	CONSTRUCT & EQUIP FACILITY		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	206,077,695	353,798,592	20,669,057	
4	Gross proceeds in reserve funds	14,237,125	19,270,988		
5	Capitalized interest from proceeds	25,493,130			
6	Proceeds in refunding escrow	265,588,353	265,588,353		
7	Issuance costs from proceeds	4,120,586	4,344,512	402,261	
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	138,813,498	50,958,244	20,266,796	
11	Other spent proceeds	13,636,495	13,636,495		
12	Other unspent proceeds	23,413,356			
13	Year of substantial completion	2008	2008	2010	

		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	X			X		
15	Were the bonds issued as part of an advance refunding issue?		X	X			X		
16	Has the final allocation of proceeds been made?		X	X		X			
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		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		X		X		
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X		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		X		X		
b	Are there any research agreements that may result in private business use of bond-financed property?		X		X		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		X		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 %		0 %		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 %		0 %		0 %			
6	Total of lines 4 and 5	0 %		0 %		0 %			
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		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		X		X		
2	Is the bond issue a variable rate issue?		X		X		X		
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		X		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?		X	X			X		
b	Name of provider	SOCIETE GENERAL		SOCIETE GENERAL					
c	Term of GIC	69 000000000000		69 000000000000					
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X		X					
5	Were any gross proceeds invested beyond an available temporary period?	X		X					
6	Did the bond issue qualify for an exception to rebate?		X		X		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
SCHEDULE K, PART I, LINE 3, COLUMN A	EXPLANATION OF DIFFERENCE BETWEEN LINE 3 AND ISSUE PRICE IN PART I	ISSUE PRICE PLUS PROJECT FUND EARNINGS OF $48,381 EQUAL PROCEEDS AVAILABLE FOR USE
SCHEDULE K, PART I, LINE 3, COLUMN B	EXPLANATION OF DIFFERENCE BETWEEN LINE 3 AND ISSUE PRICE IN PART I	ISSUE PRICE $330,722,470, FUNDS RECEIVED FROM RESERVE FUNDS OF DEFEASANCE ISSUES $21,760,612, EARNINGS ON PROJECT FUND $1,315,510
SCHEDULE K, PART I, LINE 3, COLUMN C	EXPLANATION OF DIFFERENCE BETWEEN LINE 3 AND ISSUE PRICE IN PART I	ISSUE PRICE PLUS PROJECT FUND EARNINGS OF $153,753 EQUAL PROCEEDS AVAILABLE FOR USE
SCHEDULE K COMBINED SUPPLEMENTAL INFORMATION		THE ORGANIZATION AND COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA HAVE ESTABLISHED AN OBLIGATED GROUP TO ACCESS CAPITAL MARKETS THE OBLIGATED GROUP MEMBERS ARE JOINTLY AND SEVERALLY LIABLE FOR LONG-TERM DEBT OUTSTANDING UNDER THE OBLIGATED GROUPS MASTER TRUST INDENTURE THE ORGANIZATION IS THE PRIMARY BENEFICIARY OF THE TAX-EXEMPT BOND PROCEEDS AND FILES SCHEDULE K FOR THE BENEFIT OF ALL MEMBERS OF THE OBLIGATED GROUP

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

Employer identification number
94-1156276

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1 (a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	(c) Corrected? No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

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

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) CENTRAL CALIFORNIA FACULTY MEDICAL GROUP	ENTITY OF WHICH DR KALLSEN, DR PETERSON AND MR CHUBB ARE OFFICERS	24,532,498	MEDICAL SERVICES		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
SCHEDULE L, PART IV		MEDICAL STAFF REPRESENTATION ON HOSPITAL BOARDS IS EMBODIED IN HOSPITAL ACCREDITATION REQUIREMENTS THE CURRENT JOINT COMMISSION STANDARDS ON LEADERSHIP CALL FOR THE GOVERNING BODY TO PROVIDE THE MEDICAL STAFF WITH THE "OPPORTUNITY TO PARTICIPATE IN GOVERNANCE" AND BE "ELIGIBLE FOR FULL MEMBERSHIP" ON THE HOSPITAL BOARDS

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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
FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

Employer identification number
94-1156276

Identifier	Return Reference	Explanation
PROGRAM SERVICE STATEMENT	FORM 990, PART III, LINE 4A	- COMMUNITY REGIONAL MEDICAL CENTER CRMC IS A TERTIARY ACUTE CARE FACILITY THAT PROVIDES THE PRIMARY SERVICE AREA AND SECONDARY SERVICE AREA WITH THE FOLLOWING SERVICES (I) THE CENTRAL VALLEY'S ONLY LEVEL I TRAUMA CENTER, (II) THE COMMUNITY REGIONAL BURN CENTER, (III) A LEVEL III NEONATAL INTENSIVE CARE UNIT, (IV) COMPREHENSIVE INPATIENT AND OUTPATIENT SERVICES, INCLUDING TECHNOLOGICALLY ADVANCED MEDICAL/SURGICAL SPECIALTIES, (V) THE COMMUNITY FAMILY BIRTH CENTER, (VI) TWO INTENSIVE CARE UNITS, (VII) THE LEON S PETERS REHABILITATION CENTER, (VIII) INPATIENT AND OUTPATIENT CANCER TREATMENT, (IX) PATHOLOGY AND CLINICAL LABORATORY SERVICES, (X) DIALYSIS TREATMENT FACILITIES, (XI) DIAGNOSTIC RADIOLOGY SERVICES, (XII) SHORT STAY SURGERY SERVICES, (XIII) A CARDIOVASCULAR CARE UNIT, AND (XIV) 24-HOUR EMERGENCY SERVICES CRMC IS ALSO A TEACHING HOSPITAL THAT IS AFFILIATED WITH THE UNIVERSITY OF CALIFORNIA AT SAN FRANCISCO THE MAIN CAMPUS OF CRMC CONSISTS OF A HOSPITAL BUILDING WITH FIVE AND 10-STORY WINGS, CONNECTED TO A 5-STORY TRAUMA AND CRITICAL CARE BUILDING CRMC ALSO PROVIDES (I) BEHAVIORAL HEALTH SERVICES AT A FREESTANDING FACILITY IN NORTHERN FRESNO KNOWN AS THE COMMUNITY BEHAVIORAL HEALTH CENTER (''CBHC''), (II) SUB ACUTE AND SKILLED NURSING SERVICES AT A FREESTANDING FACILITY IN NORTHERN FRESNO KNOWN AS THE COMMUNITY SUB ACUTE AND TRANSITIONAL CARE CENTER (''CSTCC''), (III) OUTPATIENT CANCER SERVICES AT ITS TWO-STORY OUTPATIENT CANCER CENTER AT WOODWARD PARK IN NORTHEAST FRESNO, APPROXIMATELY EIGHT MILES FROM THE CRMC MAIN CAMPUS, AND (IV) A VARIETY OF GENERAL AND SPECIALIZED OUTPATIENT HEALTH CLINICS SERVICES AT THE DERAN KOLIGIAN AMBULATORY CARE CENTER LOCATED APPROXIMATELY TWO MILES FROM THE CRMC MAIN CAMPUS AT THE UNIVERSITY MEDICAL CENTER CAMPUS (THE ''UMC CAMPUS'') - CLOVIS COMMUNITY MEDICAL CENTER CCMC IS LOCATED IN THE CITY OF CLOVIS (WHICH IS CONTIGUOUS TO THE CITY OF FRESNO), WHERE IT SERVES THE PRIMARY SERVICE AREA AND, TO A LESSER DEGREE, THE SECONDARY SERVICE AREA THE MAIN FACILITY CONSISTS OF A THREE-STORY ACUTE CARE HOSPITAL CONNECTED TO AN OUTPATIENT SURGERY CENTER THE FACILITY PROVIDES (I) MEDICAL AND SURGICAL FACILITIES, (II) 24-HOUR EMERGENCY CARE, (III) A CRITICAL CARE UNIT AND TREATMENT SERVICES, (IV) THE COMMUNITY FAMILY BIRTH CENTER, (V) THE MARJORIE E RADIN BREAST CARE CENTER, AND (VI) OUTPATIENT DIAGNOSTIC AND SURGICAL SERVICES CCMC ALSO PROVIDES URGENT CARE SERVICES THROUGH AN ADDITIONAL FACILITY IN OAKHURST, APPROXIMATELY 45 MILES NORTH OF FRESNO - FRESNO HEART AND SURGICAL HOSPITAL IS AN ACUTE CARE FACILITY LOCATED IN THE CITY OF FRESNO OVERLOOKING WOODWARD PARK IN NORTHEAST FRESNO THE FACILITY OPENED IN OCTOBER 2003 AND PROVIDES THE PRIMARY AND SECONDARY SERVICE AREAS WITH (I) CARDIOLOGY AND CARDIAC SURGERY SERVICES, (II) VASCULAR SURGERY SERVICES, AND (III) BARIATRIC AND OTHER MINIMALLY INVASIVE SURGERY SERVICES THE ORGANIZATION IS THE PRINCIPAL TEACHING HOSPITAL IN THE CENTRAL VALLEY THROUGH A GRADUATE MEDICAL EDUCATION PROGRAM AFFILIATED WITH THE UNIVERSITY OF CALIFORNIA AT SAN FRANCISCO MEDICAL EDUCATION PROGRAM CMC SUPPORTS A FULLY ACCREDITED EDUCATIONAL PROGRAM WITH CALIFORNIA STATE UNIVERSITY, FRESNO, BY PROVIDING CLINICAL EXPERIENCE TO ITS NURSING, PHYSICAL THERAPY, OCCUPATIONAL THERAPY, SPEECH THERAPY AND DIETETIC STUDENTS ADDITIONALLY, THE ORGANIZATION PROVIDES CLINICAL EXPERIENCE TO FRESNO CITY COLLEGE'S NURSING, SURGERY AND RADIOLOGY TECHNOLOGY STUDENTS CMC ALSO PROVIDES CLINICAL EXPERIENCE TO STUDENTS IN THE SAN JOAQUIN VALLEY COLLEGE LVN TO RN PROGRAM, FRESNO ADULT SCHOOL AND CLOVIS ADULT SCHOOL LICENSED VOCATIONAL NURSE PROGRAMS, AS WELL AS STUDENTS IN MANY OTHER PROGRAMS AT AREA COMMUNITY COLLEGES EACH OF THE THREE ACUTE HOSPITALS CONDUCTS EDUCATIONAL PROGRAMS FOR THE BENEFIT OF PHYSICIANS, NURSES, TECHNICIANS, MANAGEMENT PERSONNEL, EMPLOYEES, AND THE PUBLIC IN ADDITION, CMC SPONSORS NUMEROUS HEALTH PROMOTION AND EDUCATION PROGRAMS FOR ITS EMPLOYEES AND MEMBERS OF THE COMMUNITY IN MANY AREAS, INCLUDING ASTHMA, DIABETES, NUTRITION AND WEIGHT CONTROL, STRESS MANAGEMENT, HEALTH AND WELLNESS, AND SMOKING CESSATION THE ORGANIZATION IS AN ACTIVE PARTNER IN SEVERAL COMMUNITY SERVICE PROJECTS SUPPORTING EDUCATION IN HEALTH CAREERS FOR HIGH SCHOOLS AND OTHER COMMUNITY GROUPS TO ADDRESS THE NATION-WIDE NURSING SHORTAGE, THE ORGANIZATION HAS IMPLEMENTED SEVERAL SYSTEM-WIDE INITIATIVES TO INCREASE RECRUITMENT AND RETENTION INCLUDING THE IMPLEMENTATION OF A NURSE RESIDENCY PROGRAM AND CLINICAL LADDER, BOTH DESIGNED TO EXPAND THE EDUCATION OF NEW NURSES AND PROMOTE RETENTION OF A HIGHER PERCENTAGE OF THESE NURSES

Identifier	Return Reference	Explanation
	FORM 990, PART V, LINES 1 & 2	COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA IS THE COMMON PAY MASTER FOR THE ORGANIZATION, COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA, FOUNDATION, AND ITSELF

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6		COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA (CHCC) IS THE SOLE MEMBER IT HAS THE SOLE AND EXCLUSIVE RIGHT TO ELECT ALL MEMBERS OF THE BOARD OF DIRECTORS CHCC IS THE SOLE MEMBER OF THIS ENTITY AS SUCH, IT HAS THE RIGHTS OF MEMBERS CONFERRED BY CHAPTER 3 OF THE NONPROFIT PUBLIC BENEFIT CORPORATION LAW, SECTIONS 5310 - 5354, WHICH INCLUDES THE RIGHTS TO APPROVE AMENDMENTS TO THE ARTICLES, BYLAWS AND SALE OF ASSETS OUTSIDE THE NORMAL COURSE OF BUSINESS THE MOST RECENT AMENDED ARTICLES OF INCORPORATION PROVIDES THAT UPON DISSOLUTION ALL REMAINING ASSETS WILL BE DISTRIBUTED TO CHCC OR ITS SUCCESSOR

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A		CHCC IS THE SOLE MEMBER IT HAS THE SOLE AND EXCLUSIVE RIGHT TO ELECT ALL MEMBERS OF THE BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B		CHCC IS THE SOLE MEMBER OF THIS ENTITY AS SUCH, IT HAS THE RIGHTS OF MEMBERS CONFERRED BY CHAPTER 3 OF THE NONPROFIT PUBLIC BENEFIT CORPORATION LAW, SECTIONS 5310 - 5354, WHICH INCLUDES THE RIGHTS TO APPROVE AMENDMENTS TO THE ARTICLES, BYLAWS AND SALE OF ASSETS OUTSIDE THE NORMAL COURSE OF BUSINESS

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		FORM 990 IS PREPARED BY A CPA FIRM A DRAFT COPY IS PRESENTED TO THE BOARD OF TRUSTEES PRIOR TO FILING

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	ANNUALLY EACH DIRECTOR, PRINCIPAL OFFICER AND MEMBER OF COMMITTEE WITH BOARD DELEGATED POWERS SIGN A STATEMENT WHICH AFFIRMS THAT SUCH PERSON 1) HAS RECEIVED A COPY OF THE CONFLICTS OF INTEREST POLICY, 2) HAS READ AND UNDERSTANDS THE POLICY, 3) HAS AGREED TO COMPLY WITH THE POLICY, AND 4) UNDERSTANDS THAT THE CORPORATION IS A CHARITABLE ORGANIZATION AND THAT IN ORDER TO MAINTAIN ITS FEDERAL TAX EXEMPTION, IT MUST ENGAGE PRIMARILY IN ACTIVITIES WHICH ACCOMPLISH ONE OR MORE OF ITS TAX-EXEMPT PURPOSES TO ENSURE THAT THE CORPORATION OPERATES IN A MANNER CONSISTENT WITH ITS CHARITABLE PURPOSES AND THAT IT DOES NOT ENGAGE IN ACTIVITIES THAT COULD JEOPARDIZE ITS STATUS AS AN ORGANIZATION EXEMPT FROM FEDERAL INCOME TAX, PERIODIC REVIEWS ARE CONDUCTED THE PERIODIC REVIEWS, AT A MINIMUM, INCLUDE THE FOLLOWING SUBJECTS 1) WHETHER COMPENSATION ARRANGEMENTS AND BENEFITS ARE REASONABLE AND ARE THE RESULT OF ARMS-LENGTH BARGAINING, 2) WHETHER ACQUISITIONS OF PHYSICIAN PRACTICES AND OTHER PROVIDER SERVICES RESULT IN INUREMENT OR IMPERMISSIBLE PRIVATE BENEFIT, 3) WHETHER PARTNERSHIP AND JOINT VENTURE ARRANGEMENTS AND ARRANGEMENTS WITH MANAGEMENT SERVICE ORGANIZATIONS AND PHYSICIAN HOSPITAL ORGANIZATIONS CONFORM TO WRITTEN POLICIES, ARE PROPERLY RECORDED, REFLECT REASONABLE PAYMENTS FOR GOODS AND SERVICES, FURTHER THE CORPORATIONS CHARITABLE PURPOSES AND DO NOT RESULT IN INUREMENT OR IMPERMISSIBLE PRIVATE BENEFIT, AND 4) WHETHER AGREEMENTS TO PROVIDE HEALTH CARE AND AGREEMENTS WITH OTHER HEALTH CARE PROVIDERS, EMPLOYEES, AND THIRD PARTY PAYORS FURTHER THE CORPORATIONS CHARITABLE PURPOSES AND DO NOT RESULT IN INUREMENT OR IMPERMISSIBLE PRIVATE BENEFIT FORM 990, PART VI, SECTION B, LINE 15A CHCC, THE SOLE MEMBER OF FCH&MC, ESTABLISHES COMPENSATION FOR THE CEO

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15B	RESPONSIBILITY FOR OVERSIGHT OF EXECUTIVE COMPENSATION RESTS WITH THE BOARD'S EXECUTIVE COMPENSATION SUBCOMMITTEE. THE COMMITTEE WILL "CONSIDER ALL MATTERS INVOLVING COMPENSATION AND BENEFITS OF (I) CORPORATE OFFICERS WHO ARE CLASSIFIED AS "DISQUALIFIED PERSONS" PURSUANT TO INTERNAL REVENUE CODE SECTION 4958, (II) ALL OTHER CORPORATE OFFICERS WHO ARE SENIOR VICE PRESIDENTS AND EXECUTIVE VICE PRESIDENTS AND (III) THE PRESIDENT/CHIEF EXECUTIVE OFFICER." CORPORATE GENERAL COUNSEL ENGAGED THE SERVICES OF OUTSIDE COUNSEL IN 2007 TO ASSIST IN THE DETERMINATION OF "DISQUALIFIED PERSONS". THROUGH THE EXECUTIVE COMPENSATION SUBCOMMITTEE, THE BOARD HAS ENGAGED INTEGRATED HEALTHCARE STRATEGIES (IHS) TO CONDUCT A TOTAL COMPENSATION REVIEW FOR THOSE INDIVIDUALS IDENTIFIED IN THEIR SCOPE OF RESPONSIBILITY. THE LAST TOTAL COMPENSATION STUDY BY IHS WAS COMPLETED IN 2011

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, THE ORGANIZATION CONSOLIDATES THE RESULTS OF ITS FINANCIAL OPERATIONS WITH THOSE OF ITS NONPROFIT AND FOR-PROFIT AFFILIATES TO ISSUE CONSOLIDATED FINANCIAL STATEMENTS UNDER THE BUSINESS NAME COMMUNITY MEDICAL CENTER THESE AUDITED FINANCIAL STATEMENTS ARE PUBLICLY AVAILABLE THROUGH ELECTRONIC MUNICIPAL MARKET ACCESS (EMMA) AT EMMA MSRB ORG/SEARCH/SEARCH ASPX GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE AVAILABLE UPON REQUEST

Identifier	Return Reference	Explanation
HOURS PER WEEK DEVOTED TO RELATED ORGANIZATIONS	FORM 990, PART VII, SECTION A, COLUMN B	ALL BOARD MEMBERS' TIME IS DIVIDED AS FOLLOWS - COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA - 2 HOURS - FRESNO COMMUNITY HOSPITAL & MEDICAL CENTER - 1 4 HOURS - COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA FOUNDATION - 3 HOURS - SIERRA HOSPITAL FOUNDATION - 1 HOURS TIM JOSLIN, PATRICK RAFFERTY, STEPHEN WALTER, CRAIG CASTRO, JACK CHUBB, WANDA HOLDERMAN, THOMAS UTECHT, ABDUL KASSIR AND COLLEEN STROM'S TIME IS DIVIDED AS FOLLOWS - COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA - 5 HOURS - FRESNO COMMUNITY HOSPITAL & MEDICAL CENTER - 70 HOURS MARY CONTRERAS, CRAIG WAGONER AND BRUCE KINDER'S TIME IS DIVIDED AS FOLLOWS - COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA - 4 HOURS - FRESNO COMMUNITY HOSPITAL & MEDICAL CENTER - 61 HOURS KAREN BUCKLEY AND GREGORY RUBIOLO'S TIME IS DIVIDED AS FOLLOWS - COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA - 4 HOURS - FRESNO COMMUNITY HOSPITAL & MEDICAL CENTER - 51 HOURS

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 561,997 INTERCOMPANY TRANSFERS 16,921,897 REMOVED CISC FROM FUND BALANCE 4,831,001 TOTAL TO FORM 990, PART XI, LINE 5 22,314,895

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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
FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

Employer identification number
94-1156276

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) FRESNO HEART HOSPITAL 15 E AUDUBON DRIVE FRESNO, CA 93720 77-0513288	HOSPITAL	CA	3,979,000	69,938,000	N/A
(2) DERAN KOLOGIAN AMBULATORY CARE CENTER 2440 TULARE STREET STE 400 FRESNO, CA 93721 26-3813822	LEASING	CA	-1,115,000	24,780,000	N/A

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) COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA PO BOX 1232 FRESNO, CA 93715 94-2864615	HOSPITAL	CA	501(C)(3)	LINE 11B, II	N/A		No
(2) COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA FOUNDATION PO BOX 1232 FRESNO, CA 93715 77-0191730	SUPPORTING ORGANIZATION	CA	501(C)(3)	LINE 11B, II	COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA	Yes	
(3) SIERRA HOSPITAL FOUNDATION PO BOX 1232 FRESNO, CA 93715 94-1431181	INACTIVE	CA	501(C)(3)	LINE 3	COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? 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) COMMUNITY HEALTH ENTERPRISES INC 1925 E DAKOTA AVE STE 211 FRESNO, CA93715 77-0175659	PHARMACY SALES	CA	FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER	C	69,640	13,652,000	100 000 %
(2) COMMUNITY CARE HEALTH PLAN INC 1925 E DAKOTA AVE STE 211 FRESNO, CA93715 77-0246798	INACTIVE	CA	FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER	C			100 000 %
(3) SANTE HEALTH SERVICES INC 6051 N FRESNO STREET FRESNO, CA93710 20-0382364	INACTIVE	CA	N/A	C			
(4) COMMUNITY INSURANCE SERVICES COMPANY PO BOX 1232 FRESNO, CA93715 98-0674776	INSURANCE	CJ	FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER	C	4,240,444	13,733,050	100 000 %

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	Yes	
e Loans or loan guarantees by other organization(s)	1e	Yes	
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	Yes	
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	Yes	
p Reimbursement paid by other organization for expenses	1p		No
q Other transfer of cash or property to other organization(s)	1q	Yes	
r Other transfer of cash or property from other organization(s)	1r	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) COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA FOUNDATION	C	3,220,747	CASH
(2) SIERRA HOSPITAL FOUNDATION	R	5,105,530	NET BOOK VALUE
(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

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93493194007472

TY 2010 Earnings and Profits Other Adjustments Statement

Name: FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

EIN: 94-1156276

Description	Amount
RELATED PARTY PREMIUMS	-4,306,000
REL PARTY LOSS RESERVES & CLAIMS	898,287
MOVEMENT IN PREPAID EXPENSES	-133

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93493194007472

TY 2010 Itemized Other Current Assets Schedule

Name: FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

EIN: 94-1156276

Corporation Name	Corporation EIN	Other Current Assets Description	Beginning Amount	Ending Amount
COMMUNITY INSURANCE SERVICES COMPANY	98-0674776	PROVISION FOR LOSSES RECOVERABLE	426,702	297,815
		PREPAID EXPENSES	8,112	8,245

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TY 2010 Other Deductions Schedule

Name: FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

EIN: 94-1156276

Description	Foreign Amount (should only be used when attached to 5471 Schedule C Line 16)	Amount
RISK MANAGEMENT GRANTS		165,496
MANAGEMENT FEES		45,000
MEETING EXPENSES		44,634
AUDIT FEES		26,250
ACTUARIAL FEES		19,356
LEGAL FEES		16,980
GOVERNMENT FEES		11,341
TAX FEES		10,238
INVESTMENT MANAGEMENT FEES		6,626
OFFICE EXPENSES		3,161
REGISTERED OFFICE FEES		1,467
BANK CHARGES		935
UNDERWRITING EXPENSES		2,222,403

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TY 2010 Itemized Other Investments Schedule

Name: FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

EIN: 94-1156276

Corporation Name	Corporation EIN	Other Investments Description	Beginning Amount	Ending Amount
COMMUNITY INSURANCE SERVICES COMPANY	98-0674776	U S GOVERNMENT AND AGENCY SECURITIES	8,971,242	0
		SPDR S&P 500 TRUST FUND	0	1,218,411

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TY 2010 Itemized Other Liabilities Schedule

Name: FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

EIN: 94-1156276

Corporation Name	Corporation EIN	Other Liabilities Description	Beginning Amount	Ending Amount
COMMUNITY INSURANCE SERVICES COMPANY	98-0674776	LOSSES PAYABLE	521,956	550,229
		PROVISION FOR OUTSTANDING LOSSES	6,678,397	6,595,976

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TY 2010 Paid-In or Capital Surplus Reconciliation Statement

Name: FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

EIN: 94-1156276

Description	Beginning Amount	Ending Amount
SHARE PREMIUM	1,015,542	1,015,542

Report of Independent Auditors
and Consolidated Financial Statements

Community Hospitals of Central California and Affiliated Corporations dba Community Medical Centers

August 31, 2011 and 2010

MOSS-ADAMS LLP

CONTENTS

MOSS-ADAMS LLP
Certified Public Accountants | Business Consultants

REPORT OF INDEPENDENT AUDITORS

The Board of Trustees
Community Hospitals of Central California and Affiliated Corporations dba Community Medical Centers

We have audited the accompanying consolidated balance sheets of Community Hospitals of Central California and Affiliated Corporations dba Community Medical Centers (CMC) as of August 31, 2011, and the related consolidated statements of operations, changes in net assets, and cash flows for the year then ended. These consolidated financial statements are the responsibility of CMC's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The consolidated financial statements of CMC as of and for the year ended August 31, 2010, were audited by other auditors whose report dated December 20, 2010 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CMC'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 financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CMC as of August 31, 2011, and the results of their operations, changes in their net assets, and their cash flows for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

The community benefit expense information in Note 5, which is the responsibility of CMC's management, is not a required part of the basic consolidated financial statements, and we did not audit or apply limited procedures to such information and we do not express any assurances on such information.

Moss Adams LLP

Stockton, California
November 30, 2011

CONSOLIDATED BALANCE SHEETS

COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA
AND AFFILIATED CORPORATIONS
dba COMMUNITY MEDICAL CENTERS
CONSOLIDATED BALANCE SHEETS (In thousands)

ASSETS

	AUGUST 31, 2011	AUGUST 31, 2010
Current assets		
Cash and equivalents	$ 96,528	$ 92,596
Short-term investments	39,816	11,925
Patient accounts receivable (less allowance for doubtful accounts of $108,440 in 2011 and $101,345 in 2010)	135,668	112,166
Due from State of California for supplemental funding	9,947	9,727
Estimated third-party settlements	-	1,743
Other receivables	3,157	11,196
Inventories	11,236	11,522
Prepaid expenses and other	31,492	5,111
	327,844	255,986
Assets limited as to use		
Board-designated assets	219,886	148,076
Assets held by trustee for		
Debt service	40,846	51,852
Self-insurance in captive insurance company	13,427	11,705
Project funds	23,413	113,827
Donor-restricted assets	12,443	14,318
	310,015	339,778
Property, plant, and equipment, net	457,859	461,923
Construction in progress	208,781	83,732
Other assets	61,004	58,511
	$ 1,365,503	$ 1,199,930

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	$ 52,192	$ 45,216
Accrued compensation and employee benefits	67,851	67,847
Estimated third-party settlements	23,985	-
Other accrued liabilities and deferred revenue	52,070	16,505
Current maturities of long-term debt	10,951	23,250
	207,049	152,818
Long-term debt, less current maturities	537,668	559,001
Pension benefit obligation	63,607	74,790
Other long-term obligations	43,490	36,891
	851,814	823,500
Net assets		
Unrestricted	501,246	362,112
Temporarily and permanently restricted	12,443	14,318
	513,689	376,430
	$ 1,365,503	$ 1,199,930

See accompanying notes

COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA
AND AFFILIATED CORPORATIONS
dba COMMUNITY MEDICAL CENTERS
CONSOLIDATED STATEMENTS OF OPERATIONS (In thousands)

	AUGUST 31,	
	2011	2010
Unrestricted revenues, gains, and other support:		
Net patient service revenues (including SB855 disproportionate share and Private Hospital funding of $46,418 in 2011 and $52,631 in 2010)	$ 1,175,931	$ 994,604
Premium revenue	1,327	1,630
Investment income	8,659	10,494
Other revenue	32,541	64,855
	1,218,458	1,071,583
Expenses:		
Salaries, wages, and benefits	503,502	527,048
Supplies	177,256	173,042
Outside services	151,893	145,594
Insurance	5,472	8,493
Depreciation and amortization	41,358	41,813
Rental and lease	11,537	17,509
Interest	15,961	16,221
Utilities	10,183	11,053
Other	77,791	9,591
Provision for bad debts	105,782	112,013
Gain on early extinguishment of debt	(1,683)	-
	1,099,052	1,062,377
Excess of revenues, gains and other support over expenses	119,406	9,206
Net change in unrealized gains and losses on investments	562	(208)
Net assets released from restrictions for equipment acquisition	4,484	689
Change in unfunded accumulated pension benefit obligation	14,682	(25,715)
Other	-	102
Change in unrestricted net assets	$ 139,134	$ (15,926)

See accompanying note

COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA
AND AFFILIATED CORPORATIONS
dba COMMUNITY MEDICAL CENTERS
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (In thousands)

	Unrestricted	Temporarily and permanently restricted	Total
Balance at August 31, 2009	$ 378,038	$ 10,490	$ 388,528
Excess of revenues, gains, and other support over expenses	9,206	-	9,206
Net change in unrealized gains and lossed on investments	(208)	-	(208)
Donor-restricted contributions	-	5,773	5,773
Net assets released from restrictions and used for operations	-	(1,256)	(1,256)
Net assets released from restrictions for equipment acquisition	689	(689)	-
Change in unfunded accumulated pension benefit obligation	(25,715)	-	(25,715)
Other	102	-	102
	(15,926)	3,828	(12,098)
Balance at August 31, 2010	362,112	14,318	376,430
Excess of revenues, gains, and other support over expenses	119,406	-	119,406
Net change in unrealized gains and losses on investments	562	-	562
Donor-restricted contributions	-	4,458	4,458
Net assets released from restrictions and used for operations	-	(1,849)	(1,849)
Net assets released from restrictions for equipment acquisition	4,484	(4,484)	-
Change in unfunded accumulated pension benefit obligation	14,682	-	14,682
	139,134	(1,875)	137,259
Balance at August 31, 2011	$ 501,246	$ 12,443	$ 513,689

See accompanying notes

COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA
AND AFFILIATED CORPORATIONS
dba COMMUNITY MEDICAL CENTERS
CONSOLIDATED STATEMENTS OF CASH FLOWS (In thousands)

	AUGUST 31,	
	2011	2010
Cash flows from operating activities		
Change in net assets	$ 137,259	$ (12,098)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Net unrealized gains on investments	(562)	208
Donor-restricted contributions	(4,211)	(4,935)
Provision for bad debts	105,782	112,013
Depreciation and amortization	41,358	41,813
Amortization of bond discount/premium	120	(277)
Net changes in operating assets and liabilities		
Patient accounts receivable and other receivables	(121,245)	(93,671)
Due from State of California for supplemental funding	(220)	4,633
Inventories, prepaid expenses, and other	(32,682)	(5,652)
Accounts payable and other accrued liabilities	44,150	3,341
Accrued compensation and employee benefits	4	6,472
Pension benefit obligation	(11,183)	25,651
Estimated third-party settlements	25,728	5,082
	184,298	82,580
Cash flows from investing activities		
Purchases of property, plant, and equipment	(155,739)	(91,777)
Purchase of investments	(219,417)	(212,409)
Proceeds from sales of investments	129,239	202,050
Cash and cash equivalents movements in assets limited as to use	81,609	(102,411)
Change in assets under bond indenture agreements	11,003	(30,733)
Proceeds from sale of interest in subsidiary	2,480	-
Other	-	(1,057)
	(150,825)	(236,337)
Cash flows from financing activities		
Repayments of long-term debt	(33,752)	(9,597)
Proceeds from long-term debt	-	206,429
Debt issuance costs	-	(4,590)
Proceeds from restricted contributions	4,211	4,935
	(29,541)	197,177
	3,932	43,420
Cash and equivalents, beginning of year	92,596	49,176
Cash and equivalents, end of year	$ 96,528	$ 92,596
Supplemental disclosure of cash flow information		
Interest paid	$ 26,519	$ 26,831

See accompanying notes

NOTE 1 – ORGANIZATION

Community Hospitals of Central California and Affiliated Corporations, dba Community Medical Centers (CMC), is a not-for-profit multifacility integrated healthcare organization located in Fresno, California. CMC has established an Obligated Group to access capital markets. Obligated Group members are jointly and severally liable for the long-term debt outstanding under the Obligated Group's master trust indenture. The Obligated Group members are denoted with an asterisk (*). CMC includes the following consolidated entities:

Acute Care Services – Acute care services consist of a single corporate entity, Fresno Community Hospital and Medical Center*, which operates as two general acute care hospitals that provide a full range of medical, surgical, intensive care, emergency room, burn and trauma, and obstetric services. These facilities also offer home health, psychiatric, rehabilitation, and a variety of other services. The acute care hospitals are:

- Community Regional Medical Center (CRMC)
- Clovis Community Medical Center

Effective October 1, 2009, Fresno Community Hospital and Medical Center exchanged its 80.9% interest in Advanced Medical Imaging (AMI) and its 19.1% interest in California Imaging Institute (CII) for a 50% interest in a new medical imaging company formed from the merger of AMI and CII. The newly formed company, CII LLC, operates two freestanding outpatient imaging centers that provide comprehensive imaging services. It is owned in partnership with certain radiology physicians. Fresno Community Hospital and Medical Center accounts for this investment using the equity method.

Corporate Activities – Corporate activities consist of centralized shared services, real estate activities, and retail pharmacy operations.

- Community Hospitals of Central California* (CHCC)
- Community Health Enterprises (CCMC)

Fresno Heart and Surgical Hospital* – The Fresno Heart and Surgical Hospital provides cardiac-related services and bariatric and other minimally invasive surgeries.

Deran Koligian Ambulatory Care Center – Deran Koligian Ambulatory Care Center, LLC (DKACC) is a nonprofit single member LLC, whose sole member is Fresno Community Hospital and Medical Center. DKACC completed construction of an ambulatory care clinic building on the CRMC campus during 2010, which is leased to CRMC.

Community Insurance Services Company – Effective September 1, 2009, CMC formed Community Insurance Services Company (CISC), which is a wholly owned captive insurance company that maintains professional and general liability coverage.

NOTE 1 – ORGANIZATION (CONTINUED)

Physician Management Services – Physician management services consist of Santé Health System (Santé), which is a management service organization (MSO) providing independent physician association and physician practice management services. In October 2010, CHCC sold 50% of its interest in Santé to two physician groups for $2,480,000. Prior to the sale, Santé distributed $10,000,000 to CHCC. The distribution decreased Santé's net assets from $15,167,000 to $5,167,000. CMC recognized a $103,000 loss in the consolidated financial statements from this transaction.

Development Activities – Development activities consist of a single corporate entity, Community Hospitals of Central California Foundation, which conducts fund-raising activities for the not-for-profit organizations within the health system.

Obligated Group Members – Obligated Group members are the parent corporations of certain consolidated entities that are not Obligated Group members. Accounting principles generally accepted in the United States of America (U.S. GAAP) require consolidation of all controlled subordinate corporations. Accordingly, the consolidated financial statements of CMC are the same as the Obligated Group financial statements under U.S. GAAP.

NOTE 2 – AGREEMENT WITH THE COUNTY OF FRESNO

Effective October 7, 1996, CMC, through one of its affiliates (Fresno Community Hospital and Medical Center), entered into a series of agreements (the Transaction Agreements) with the County of Fresno (the County). The Transaction Agreements were amended in 1998 and again in 2003 related to a University Medical Center (UMC) lease. The principal ongoing provisions of the Transaction Agreements are as follows:

- CMC is required to provide comprehensive medical care to certain classes of indigent persons and inmates within the County for a period of 30 years in return for certain payments. Payments received under this agreement totaled approximately $20,143,000 and $19,736,000 for the years ended August 31, 2011 and 2010, respectively.

- CMC leased a medical center (UMC) and certain related equipment from the County. The lease expired on December 31, 2009. Rental expense under the lease was $0 in 2011 and $1,667,000 in 2010.

As security for CMC's performance under the terms of the Transaction Agreements, the County was granted a first-priority lien on CCMC and an adjoining medical office building. In addition, during the 30-year period commencing October 7, 1996, (a) the County is entitled to nominate 27% of the members of CMC's (and certain of its affiliates') board of trustees and related subcommittees and (b) CMC and its affiliates are precluded, with certain specified exceptions, from making any net asset transfers outside of CMC.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation – The consolidated financial statements include the accounts of CMC and affiliates as listed under Organization in Note 1. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates – The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Equivalents – Cash and equivalents include all highly liquid investments with an original maturity of three months or less when purchased. Cash and equivalents purchased by CMC's investment managers as part of their investment strategies are included in assets limited as to use and short-term investments. CMC regularly maintains balances in depository accounts in excess of the FDIC insurance limit.

Accounts Receivable – CMC's primary concentration of credit risk is patient accounts receivable and SB855 and SB1255 disproportionate share funds receivable, which consist of amounts owed by various government agencies, insurance companies, and private patients. CMC manages the receivables by regularly reviewing its accounts and contracts and by providing appropriate allowances for uncollectible amounts. CMC provides for estimated losses on patient accounts receivable based on prior bad debt experience. Uncollectible receivables are charged-off when deemed uncollectible. Recoveries from previously charged-off accounts are recorded when received.

Inventories – Inventories are stated at the lower of cost, determined by the first-in, first-out method, or market.

Assets Limited as to Use and Short-Term Investments – Assets limited as to use consist principally of corporate debt securities, equity securities, and U.S. government and agency securities, all of which are available for sale and carried at fair market value. The fair values for these investments are based on quoted market prices. Investments also include repurchase agreements. Certain marketable securities are designated as assets held in trust. These include assets held by trustees in accordance with the indentures relating to long-term debt. In addition, certain investments are set aside by the board of trustees for future capital improvements.

Investment income is included in the excess of revenues, gains and other support over expenses unless the income is restricted by donor or law.

For investments purchased prior to September 1, 2008, unrealized gains and losses on investments are excluded from the excess of revenues, gains and other support over expenses unless the investments are trading securities, or an unrealized loss is determined to be other than temporary for any security that is available for sale. Management routinely evaluates its investments in marketable securities for other than temporary impairment.

CMC has elected to report investments in debt and equity securities purchased on or after September 1, 2008 under Accounting Standards Codification (ASC) 825, *Financial Instruments*, such that unrealized gains and losses on such securities are included in the excess of revenues, gains and other support over expenses unless the income is restricted by donor or law.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets Limited as to Use and Short-Term Investments (continued) – CMC has discretion to establish policies regarding which portion of assets limited as to use is classified as short-term investments. The amount classified as short-term investments consists of available cash held in investment accounts, money markets balances, and highly liquid investment securities with an original maturity of three months or less.

Property, Plant, and Equipment – Property, plant, and equipment are stated at cost, or in the case of donated items, at fair market value at the date of donation. Routine maintenance and repairs are charged to expense as incurred. Expenditures that increase values, change capacities, or extend useful lives are capitalized, as is interest for significant construction projects. In 2011 and 2010, $10,783,000 and $11,168,000, respectively, of net interest expense was capitalized for construction projects.

Depreciation is computed by the straight-line method over the estimated useful lives of the assets, which range from 5 to 40 years for buildings and improvements and an average of 8 years for equipment.

CMC's management regularly reviews long-lived assets for indications of impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Management estimates the fair value of legal asset retirement obligations that are conditional on a future event if the amount can be reasonably estimated, in accordance with Financial Accounting Standards Board (FASB). Estimates are developed through the identification of applicable legal requirements, identification of specific conditions requiring incremental cost at time of asset disposal, estimation of costs to remediate conditions, and estimation of remaining useful lives or date of asset disposal.

Self-Insurance and Other Benefit Plans – CMC is self-insured for workers' compensation claims and maintains a self-insured medical, dental, and vision care plan as an option for its employees. Claims are accrued under these plans as the incidents that give rise to them occur. Unpaid claim accruals are based on the actuarially estimated ultimate cost of settlement, including claim settlement expenses. CMC has reinsurance arrangements with insurance companies to limit its losses on claims for medical and workers' compensation expenses. The portion not expected to be paid within one year is included within other long-term obligations.

Professional Liability Insurance – As of September 1, 2009, CMC formed a wholly owned captive insurance company called Community Insurance Services Company (CISC). CISC has issued claims-made policies to insure the medical and general liability risks of CMC's affiliates. CISC retains $2,000,000 for each and every loss and reinsures $118,000,000 with third-party reinsurers. As of August 31, 2011 and 2010, CMC had recorded estimated liabilities for claims incurred and reported of $6,596,000 and $6,684,000, respectively. These amounts are included within current liabilities in the accompanying consolidated balance sheets.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Professional Liability Insurance (continued) – Should the reinsurance policies not be renewed or replaced with equivalent insurance, claims related to occurrences during the term of the claims-made policy but reported subsequent to its termination may be uninsured. Liabilities of $2,997,000 and $3,070,000 have been recorded for the actuarially estimated incurred but not reported liability that is not covered by third-party insurance at August 31, 2011 and 2010, respectively. These liabilities are included within other long-term obligations in the accompanying consolidated balance sheets.

Income Taxes – Most entities included in CMC are exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code and are generally not subject to federal or state income taxes. However, the exempt organizations are subject to income taxes on any net income that is derived from a trade or business, regularly carried on, and not in furtherance of the purposes for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the basic financial statements taken as a whole. CMC includes entities that are subject to income taxes; however, such income tax activities are not significant to the consolidated financial statements.

Donor Gifts – Unconditional promises to give cash and other assets to CMC are reported at fair market value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair market value at the date the gift is received and any conditions are substantially met. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified as unrestricted net assets.

Fair value of financial instruments – Unless otherwise indicated, the fair value of all reported assets and liabilities, which represent financial instruments, approximate their carrying values. CMC's policy is to recognize transfers in and transfers out of Levels 1 and 2 as of the end of the reporting period.

Excess of revenues, gains and other support over expenses – Excess of revenues, gains and other support over expenses reflected in the accompanying consolidated statements of operations includes all changes in unrestricted net assets other than changes in unrealized gains on certain marketable securities, net assets released from restrictions for equipment acquisition, and changes in pension benefit obligation.

New Accounting Pronouncements – In April 2009, the FASB issued SFAS No. 164, *Not-for-Profit Entities Mergers and Acquisitions*, including an amendment of FASB Statement No. 142, as codified by Accounting Standards Update (ASU) 2010-07. This statement provides guidance on accounting for a combination of not-for-profit entities and applies to a combination that meets the definition of either a merger of not-for-profit entities or an acquisition by a not-for-profit entity. The provision establishes principles and requirements for how a not-for-profit entity (a) determines whether a combination is a merger or an acquisition, (b) applies the carryover method in accounting for a merger, (c) applies the acquisition method in accounting for an acquisition, and (d) determines what information to disclose with respect to the nature and financial effects of a merger or acquisition.

This statement also amends both ASC 350, *Intangibles-Goodwill and Other*, and ASC 810, *Noncontrolling Interest* The provisions of ASU 2010-07 are to be applied prospectively and are effective for CMC in the fiscal year ended August 31, 2011 for mergers and acquisitions. Pursuant to ASU 2010-07, CMC has discontinued the amortization of goodwill during the fiscal year ended August 31, 2011.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements (continued) – In January 2010, the FASB issued ASU 2010-06, *Improving Disclosures about Fair Value Measurements* (ASU 2010-06), which amended ASC 820, *Fair Value Measurements and Disclosures* (ASC 820), to require new disclosures related to transfers in and out of Level 1 and Level 2 fair value measurements, including the reasons for the transfers and to require new disclosures related to activity in Level 3 fair value measurements. In addition, ASU 2010-06 clarifies existing disclosure related to the level of disaggregation of classes of assets and liabilities and provides further detail about inputs and valuation techniques used for fair value measurement. CMC adopted ASU 2010-06 in the fiscal year ended August 31, 2011 (Note 6).

In August 2010, the FASB issued ASU 2010-23, *Health Care Entities (Topic 954), Measuring Charity Care for Disclosure* (ASU 2010-23), which requires that cost be used as a measurement for charity care disclosure purposes and that cost be identified as the direct and indirect costs of providing charity care. It also requires disclosure of the method used to identify or determine such costs. CMC is required to adopt ASU 2010-23 in the fiscal year ended August 31, 2012. CMC does not expect the adoption of ASU 2010-23 will have a material effect on the results of its operations or financial position.

In August 2010, the FASB issued ASU 2010-24, *Health Care Entities (Topic 954), Presentation of Insurance Claims and Related Insurance Recoveries* (ASU 2010-24), which clarifies that a health care entity should not net insurance recoveries against a related claim liability. Additionally, the amount of the claim liability should be determined without consideration of insurance recoveries. CMC is required to adopt ASU 2010-24 in the fiscal year ended August 31, 2012. CMC is currently evaluating the potential impact of ASU 2010-24 on its consolidated financial statements.

In July 2011, the FASB issued 2011-07, *Health Care Entities (Topic 954), Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities* (ASU 2011-07), which requires health care entities that recognize significant amounts of patient service revenue at the time the services are rendered even though they do not assess the patient's ability to pay to present the provision for bad debts related to patient service revenue as a deduction from patient service revenue (net of contractual allowances and discounts) on their statement of operations. CMC is required to adopt ASU 2011-07 in the fiscal year ended August 31, 2013. CMC is currently evaluating the potential impact of ASU 2011-07 on its consolidated financial statements.

Reclassifications – Certain amounts in the 2010 financial statements have been reclassified to conform to the 2011 presentation.

Subsequent events – Subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued. CMC recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated balance sheet, including the estimates inherent in the process of preparing the consolidated financial statements. CMC's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated balance sheet but arose after the balance sheet date and before the consolidated financial statements are issued. CMC has evaluated subsequent events through November 30, 2011, which is the date the consolidated financial statements are issued.

NOTE 4 – NET PATIENT SERVICE AND PREMIUM REVENUES

Net Patient Service Revenues – Net patient service revenues are 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. Estimated settlements under third-party reimbursement agreements are accrued in the period in which the related services are rendered and adjusted in future periods, based on updated information and as a result of final settlements.

Gross patient charges comprise usual and customary charges for services provided to all patients. The composition of consolidated gross patient charges by major payor group as of the years ended August 31, 2011 and 2010 is as follows:

	2011	2010
Medicare	26%	26%
Medi-Cal and managed Medi-Cal	33%	35%
Contracted rate payors	30%	29%
Commercial insurance and other payors	5%	5%
Medically Indigent Services Program (MISP)	6%	5%
Total	100%	100%

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

Medicare – Inpatient acute care services, skilled nursing services, rehabilitation services, and certain outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per diagnosis. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Certain inpatient nonacute services and medical education costs related to Medicare beneficiaries are paid based on a cost-based reimbursement methodology. Professional services are reimbursed based on a fee schedule.

Medi-Cal – Inpatient and outpatient services rendered to Medi-Cal program beneficiaries are reimbursed primarily under contracted rates. Additionally, CMC is allocated certain funds available from a pool of State of California funds for disproportionate share hospital services under the SB855 and SB1255/Private Hospital Fund programs based upon an annual determination for eligibility. Revenues under the SB855 program and SB1255/Private Hospital Fund totaled $37,085,000 and $9,333,000, respectively, for the year ended August 31, 2011 and $41,798,000 and $10,833,000, respectively, for the year ended August 31, 2010. As of August 31, 2011 and 2010, CMC recorded receivables of $9,947,000 and $9,727,000, respectively, for amounts due from the state of California for SB855, SB1255, and other programs.

NOTE 4 – NET PATIENT SERVICE AND PREMIUM REVENUES (CONTINUED)

Medi-Cal (continued) – Cost reports filed under the Medicare and Medi-Cal programs for services based on cost reimbursement are subject to audit. The estimated amounts due to or from the programs are reviewed and adjusted annually based on the status of such audits and any subsequent appeals. Differences between final settlements and amounts accrued in previous years are reported as adjustments to net revenue in the year in which the examination is completed. Net patient service revenue decreased $3,039,000 and increased $2,465,000 in 2011 and 2010, respectively, related to updates of prior years' cost report reserves and increased by $3,202,000 and $0, respectively, related to successful appeals of prior years' cost report settlements.

Other – CMC has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations (HMOs), and preferred provider organizations. The basis for payment to CMC under these agreements includes prospectively determined rates per diagnosis, discounts from established charges, and prospectively determined daily rates. CMC also receives State of California funds pursuant to Proposition 99.

Premium revenue – CMC has an agreement with an independent physician association (IPA) to provide medical services to certain IPA members. Under this agreement, CMC receives monthly capitation payments and recognizes as revenue during the period regardless of services actually performed by CMC.

Charity Care – Healthcare services are provided to patients who meet certain criteria under CMC's charity care policies without charge or at amounts less than established rates. Traditional charity care covers services provided to persons who meet certain criteria and cannot afford to pay. Unpaid costs of charity are the estimated costs of services provided to such patients. Foregone charity charges totaled $47,069,000 and $57,654,000 in 2011 and 2010, respectively.

Hospital Fee Program – In November 2009, the California Hospital Fee Program (the Program) was signed into California state law. The Program provides supplemental Medi-Cal payments to certain California hospitals. The Program is funded by a quality assurance fee (the Fee) paid by participating hospitals and by matching federal funds. Hospitals receive supplemental payments from either the California Department of Health Care Services (DHCS), managed care plans or a combination of both. The Program was administered in two parts. The first part (Part One), created by Assembly Bill 1653 (signed into law in September 2010), covers the period beginning April 1, 2009 through December 31, 2010. The second part (Part Two), created by Senate Bill 90 (signed into law in March 2011), covers the period beginning January 1, 2011 through June 30, 2011. Part One became effective in fiscal year 2011 after approval from the Centers for Medicare and Medicaid Services (CMS). CMC recognized $117,598,000 in net patient service revenue and $62,286,000 in expense for the year ended August 31, 2011. Additionally, the California Hospital Association created a private program, the California Health Foundation and Trust (CHFT), established for several purposes, including aggregating and distributing financial resources to support charitable activities at various hospital and health systems in California. A pledge agreement was executed during the fiscal year ended August 31, 2010 between CMC and CHFT whereby CMC paid $4,263,000 prior to August 31, 2011 into a grant fund established by CHFT, pending approval of the legislation noted above.

NOTE 4 – NET PATIENT SERVICE AND PREMIUM REVENUES (CONTINUED)

Hospital Fee Program (continued) – Part Two of the Program has not received final approval from CMS and is not yet effective as of August 31, 2011. CMC paid $22,178,000 in 2011 for Part Two of the Program, and recorded this as a prepaid expense at August 31, 2011. CMC received supplemental payments for Part Two of $38,394,000 in 2011. As the program is not yet legally effective, these revenues have been deferred and are recorded as a part of other current liabilities.

NOTE 5 – COMMUNITY BENEFITS (UNAUDITED)

Unpaid services (estimated cost in excess of third-party reimbursement) provided by CMC to the medically underserved and as a benefit to the community are as follows for the years ended August 31, 2011 and 2010:

	2011 (in thousands)	% of total expenses	2010 (in thousands)	% of total expenses
Traditional charity care at unpaid costs	$ 12,494	1 1%	$ 16,355	1 5%
Unpaid costs of public programs for medically underserved	177,280	16 1%	170,300	16 0%
Unpaid costs of education and community benefits, net	44,470	4 0%	40,711	3 8%
	234,244	21 2%	227,366	21 3%
SB855 disproportionate share funding	(37,085)	-3 4%	(41,798)	-3 9%
Stabilization Funding	(2,490)	-0 2%	-	0 0%
Private Hospital Funding	(9,333)	-0 8%	(10,833)	-1 0%
Proposition 99 - Tobacco Tax	(294)	0.0%	(347)	0.0%
Provider fee net	(51,049)	-4 6%	-	0 0%
	(100,251)	-9 0%	(52,978)	-4 9%
Net community benefits	$ 133,993	12 2%	$ 174,388	16 4%

Unpaid costs of public programs for the medically underserved are the costs in excess of reimbursement for treating patients covered by the state's Medi-Cal and MISP programs.

Unpaid costs of education and community benefits include the cost of training health professionals and educating the community with various seminars and classes, net of government and other reimbursement for such activities.

NOTE 6 – ASSETS LIMITED AS TO USE

Assets limited as to use include marketable securities that are carried at fair value, based on quoted market prices. Pledges receivable are carried at net realizable value. The composition of assets limited as to use at August 31, 2011 and 2010 is as follows (in thousands):

	2011		2010	
	Cost	Fair value and carrying value	Cost	Fair value and carrying value
Cash and equivalents	$ 112,597	$ 112,597	$ 169,059	$ 169,059
U.S. Treasury bills and notes	27,410	27,554	24,213	24,418
U.S. government agency debt	43,824	44,426	33,681	34,478
Corporate debt securities	92,340	93,198	72,242	74,026
Equity securities	26,828	29,334	13,818	15,086
Mutual funds	17,563	17,841	8,575	8,656
Repurchase agreements	19,393	19,393	19,910	19,910
Total cash and marketable securities	339,955	344,343	341,498	345,633
Less amounts classified as short-term investments	(39,816)	(39,816)	(11,925)	(11,925)
Pledges receivable, net	5,488	5,488	6,070	6,070
Total assets limited as to use	$ 305,627	$ 310,015	$ 335,643	$ 339,778

During 2011 and 2010, CMC incurred impairment charges of $400,000 and $643,000, respectively, to recognize unrealized losses deemed to be other than temporary. All unrealized losses were deemed to be other-than-temporary and were recognized as of August 31, 2011 and 2010.

CMC adopted ASC 820, *Fair Value Measurements and Disclosure*, on September 1, 2008 for fair value measurements of financial assets and liabilities. ASC 820 established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that CMC has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are inputs that are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement entirely falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

NOTE 6 – ASSETS LIMITED AS TO USE (CONTINUED)

The following table presents financial assets measured at fair value as of August 31, 2011 (in thousands):

	2011			
Investments	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3	Fair value total
Cash and equivalents	$ 39,817	$ -	$ -	$ 39,817
U S Treasury and U S. agency fixed income				
U S Treasury bills and notes	27,554	-	-	27,554
U S government agency debt	-	44,426	-	44,426
	27,554	44,426	-	71,980
Corporate debt securities				
Health care	-	1,425	-	1,425
Energy	-	12,370	-	12,370
Financials	-	42,510	-	42,510
Industrials	-	4,825	-	4,825
Information technology	-	3,959	-	3,959
Telecommunications	-	7,024	-	7,024
Consumer staples	-	10,858	-	10,858
Consumer discretionary	-	6,015	-	6,015
Other	-	4,212	-	4,212
	-	93,198	-	93,198
Equity securities.				
Health care	3,830	-	-	3,830
Utilities	958	-	-	958
Financials	3,054	-	-	3,054
Consumer staples	4,380	-	-	4,380
Consumer discretionary	2,435	-	-	2,435
Materials	1,508	-	-	1,508
Energy	3,588	-	-	3,588
Information technology	5,426	-	-	5,426
Industrials	3,391	-	-	3,391
Telecommunications	764	-	-	764
	29,334	-	-	29,334
Mutual funds				
Mid cap core	4,820	-	-	4,820
Small cap core	5,019	-	-	5,019
International core	4,031	-	-	4,031
Emerging markets	1,754	-	-	1,754
Specialty-real estate	2,217	-	-	2,217
	17,841	-	-	17,841
	114,546	137,624	-	252,170
Funds held by trustees				
Repurchase agreements	-	19,393	-	19,393
Cash and equivalents	72,780	-	-	72,780
	72,780	19,393	-	92,173
Total	$ 187,326	$ 157,017	$ -	$ 344,343

NOTE 6 – ASSETS LIMITED AS TO USE (CONTINUED)

The following table presents financial assets measured at fair value as of August 31, 2010 (in thousands):

	2010			
Investments	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3	Fair value total
Equity securities	$ 15,086	$ -	$ -	$ 15,086
Mutual funds	8,656	-	-	8,656
U S Treasury bills and notes	24,418	-	-	24,418
U S government agency debt	-	34,478	-	34,478
Corporate debt securities	-	74,026	-	74,026
Cash and equivalents	11,925		-	11,925
	60,085	108,504	-	168,589
Funds held by trustees				
Repurchase agreements	-	19,910	-	19,910
Cash and equivalents	157,134	-	-	157,134
	157,134	19,910	-	177,044
Total	$ 217,219	$ 128,414	$ -	$ 345,633

The scheduled maturities of the securities as of August 31, 2011 are as follows:

	Amortized cost basis	Estimated fair value
Due within 1 year or less	$ 14,940	$ 14,964
Due after 1 year through 5 years	85,447	85,979
Due after 5 years	21,699	22,090
	122,086	123,033
Mortgage-backed securities accrued interest and other	41,488	42,145
	$ 163,574	$ 165,178

NOTE 6 – ASSETS LIMITED AS TO USE (CONTINUED)

The scheduled maturities of the securities as of August 31, 2010 are as follows:

	Amortized cost basis	Estimated fair value
Due within 1 year or less	$ 16,885	$ 17,118
Due after 1 year through 5 years	73,614	74,764
Due after 5 years	22,511	23,242
	113,010	115,124
Mortgage-backed securities accrued interest and other	17,126	17,798
	$ 130,136	$ 132,922

Investment income is composed of the following for the years ended August 31, 2011 and 2010 (in thousands):

	2011	2010
Interest income	$ 6,011	$ 5,183
Net realized gains/losses on sales of securities and other-than-temporary impairment	2,157	4,855
Dividends	491	456
	$ 8,659	$ 10,494

NOTE 7 – PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment consist of the following as of August 31, 2011 and 2010 (in thousands):

	2011	2010
Land and land improvements	$ 29,995	$ 29,995
Buildings and improvements	492,176	424,383
Equipment	336,805	375,288
	858,976	829,666
Accumulated depreciation	(401,117)	(367,743)
	$ 457,859	$ 461,923

NOTE 8 – OTHER ASSETS

Other assets consist of the following as of August 31, 2011 and 2010 (in thousands):

	2011	2010
Loan receivable from DKACC Lenders (Note 9)	$ 18,844	$ 18,844
Investment in rental properties	13,624	14,592
Real estate held for development	6,037	6,037
Intangible assets, net	3,119	2,693
Unamortized financing costs, net	8,325	8,903
Investment in joint ventures	8,487	4,990
Other	2,568	2,452
	$ 61,004	$ 58,511

CMC owns rental properties, recorded at cost, net of accumulated depreciation. Investments in rental properties consist of the following as of August 31, 2011 and 2010 and are included in other assets in the accompanying consolidated balance sheets (in thousands):

	2011	2010
Land	$ 4,085	$ 4,085
Buildings and land improvements	25,023	25,014
Equipment	2,883	2,856
	31,991	31,955
Accumulated depreciation	(18,367)	(17,363)
	$ 13,624	$ 14,592

NOTE 9 – LONG-TERM DEBT

Long-term debt consists of the following as of August 31, 2011 and 2010 (in thousands):

	2011	2010
California Municipal Finance Authority		
Certificates of Participation (Community Hospitals of Central California Project) Series 2009, interest ranging from 3% to 5 5% payable semiannually, principal payable in installments ranging from $3,345,000 in 2012 to $13,850,000 in 2039, collateralized by gross revenues Interest payments are funded through February 1, 2012	$ 197,146	$ 208,315
Unamortized bond discount	(3,371)	(3,868)
Total certificates of participation	193,775	204,447
California Municipal Finance Authority		
Certificates of Participation (Community Hospitals of Central California Project) Series 2007, interest ranging from 5% to 5 25% payable semi-annually, principal payable in installments ranging from $3,235,000 in 2012 to $18,775,000 in 2046, collateralized by gross revenues	306,690	312,265
Unamortized bond premium	8,499	8,876
Total certificates of participation	315,189	321,141
California Municipal Finance Authority		
Certificates of Participation (Community Hospitals of Central California Project) Series 2009, interest at 5 19% payable monthly, principal payable in installments ranging from $4,082,000 in 2012 to $4,299,000 in 2013, collateralized by equipment	11,372	15,248
Building Loan Agreement (DKACC), interest at 0 90% to 1 97% payable quarterly, principal due December 2038, collateralized by a guarantee by the CMC Obligated Group	25,589	25,589
Line of credit with a bank, interest payable monthly, expired in March 28, 2011	-	12,500
Other long-term debt	2,694	3,326
	548,619	582,251
Current maturities	(10,951)	(23,250)
	$ 537,668	$ 559,001

NOTE 9 – LONG-TERM DEBT (CONTINUED)

Under the terms of the master trust indenture associated with the certificates of participation, certain members of CMC are designated as members of the Obligated Group. There are restrictive covenants requiring compliance by the Obligated Group. These include, among other things, limitations on the issuance of additional debt and the maintenance of certain financial ratios.

In 2009, DKACC borrowed $25,589,000 to finance the acquisition and construction of certain facilities and equipment under a financing structured to qualify for New Markets Tax Credits. The New Markets Tax Credits program is administered by the Federal government and provides tax incentives for the benefit of low-income communities. In order to comply with this program, affiliates of CMC's underwriter formed a group of entities (the Lenders), which were capitalized by $7,500,000 from an affiliate of the underwriter and by an $18,844,000 loan from CMC. This resulted in the Lenders accumulating funds totaling $25,589,000, which were then loaned to DKACC. The Obligated Group has guaranteed DKACC's repayment obligations under this borrowing, which has a final maturity of January 20, 2038, but such guaranty is not secured by an Obligation issued under the Master Indenture. Additionally, the Obligated Group has a limited guaranty, up to $10,000,000 over 7 years, related to the Lenders' realization of tax credits available under the New Markets Tax Credit program. The Obligated Group does not currently expect to make any payments under these guarantees.

Scheduled principal repayments on long-term debt and payments on capital lease obligations by fiscal year are as follows (in thousands):

	Long-term debt
2012	$ 11,359
2013	11,610
2014	10,474
2015	7,861
2016	8,253
Thereafter	493,934
	543,491
Add net unamortized bond premium	5,128
	$ 548,619

The aggregate estimated fair value of CMC's long-term obligations at August 31, 2011 and 2010 of $458,551,000 and $512,964,000, respectively, were estimated using discounted cash flow analyses based on CMC's current incremental borrowing rates for similar debt instruments.

NOTE 10 – LINE OF CREDIT

In addition to the line of credit included in Note 9, CMC has a credit agreement with a bank that allows CMC to borrow up to $40,000,000. Under this agreement, credit card borrowings are interest-free and due monthly. All other borrowings bear interest on a LIBOR base. Amounts applied for letter of credit agreements totaled $4,800,000 on August 31, 2011 and 2010. Outstanding credit card borrowings were $2,806,000 and $2,133,000 on August 31, 2011 and 2010, respectively. There were no LIBOR-based borrowings as of these dates. A note securing the line of credit has been issued under the master trust indenture. The agreement expires on April 30, 2013.

NOTE 11 – PENSION PLAN

CMC maintains a contributory defined benefit cash balance pension plan that covers substantially all employees upon their retirement. Benefit payments for participants in the plan are determined by application of a benefit formula to the average base earnings of participants. In addition to normal retirement benefits, under certain circumstances, the plan also provides early retirement, disability, death, and spousal benefits. Employees of CMC become eligible to participate in the plan on January 1 or July 1 following the completion of 1,000 hours and one year of service. The vesting period is three years.

Mandatory contributions are made to the plan by the employees as specified in the plan documents. Total employee contributions to the plan for the years ending August 31, 2011 and 2010 were $4,357,000 and $4,217,000, respectively. Total employer contributions to the plan for the years ending August 31, 2011 and 2010 were $13,000,000 and $10,770,000, respectively. Total benefits paid for the years ending August 31, 2011 and 2010 were $8,375,000 and $5,353,000, respectively. The unfunded status is presented as a noncurrent liability in the accompanying consolidated balance sheets.

NOTE 11 – PENSION PLAN (CONTINUED)

The following table sets forth the plan's benefit obligation, fair value of plan assets, and funded status as of August 31, 2011 and 2010 (in thousands):

	2011	2010
Change in projected benefit obligation (PBO):		
PBO at beginning of year	$ 183,733	$ 143,832
Employer service cost	13,401	8,055
Interest cost	8,019	7,453
Actuarial (gain) loss	(7,653)	25,578
Plan participants' contributions	4,357	4,217
Benefits paid from plan assets	(8,374)	(5,353)
Administrative expenses paid	(57)	(49)
PBO at end of year	$ 193,426	$ 183,733

	2011	2010
Change in plan assets:		
Fair value of assets at beginning of year	$ 108,943	$ 94,693
Actual return on assets	11,950	4,665
Employer contributions	13,000	10,770
Plan participants' contributions	4,357	4,217
Benefits paid	(8,375)	(5,353)
Administrative expenses paid	(57)	(49)
Fair value of assets at end of year	$ 129,818	$ 108,943

NOTE 11 – PENSION PLAN (CONTINUED)

	2011	2010
Funded status at end of year	$ (63,607)	$ (74,790)
Unrecognized actuarial loss	54,911	69,537
Unrecognized prior service cost	404	459
Unfunded accumulated pension benefit obligation	(55,315)	(69,996)
Pension benefit obligation recognized in consolidated balance sheets	$ (63,607)	$ (74,790)
Accumulated benefit obligation at end of year	$ 173,995	$ 162,264

Weighted average assumptions as of August 31 are as follows:

	2011	2010
Discount rate	4.70%	4.45%
Expected long-term rate of return on assets	7.50%	7.50%
Rate of compensation increase	4.00%	4.00%

Net periodic pension cost for the plan for 2011 and 2010 is included in salaries, wages, and benefits in the accompanying consolidated financial statements of operations. Components of net periodic pension cost include the following (in thousands):

	2011	2010
Service cost	$ 13,401	$ 8,055
Interest cost	8,019	7,453
Expected return on plan assets	(8,628)	(7,092)
Amortization of prior service cost	55	36
Recognized net actuarial losses	3,652	2,254
Net periodic pension cost	$ 16,499	$ 10,706

	2011	2010
Amounts recognized in net assets:		
Net actuarial loss	$ (8,628)	$ 69,538
Net prior service cost	63,943	459
	$ 55,315	$ 69,997

NOTE 11 – PENSION PLAN (CONTINUED)

	2011	2010
Amounts recognized as changes in net assets:		
Net (gain) loss	$ (10,975)	$ 28,005
Amortization of prior service cost	(55)	(36)
Amortization of net loss	(3,652)	(2,254)
	$ (14,682)	$ 25,715

The estimated net loss and prior service cost that will be amortized into net period pension cost during the 2012 fiscal year are $2,457,000 and $55,000, respectively.

CMC's pension plan asset allocations at August 31, 2011 and 2010 by asset category are as follows:

	2011	2010
Cash and equivalents	9%	6%
Debt securities	32%	38%
Equity securities	59%	56%
	100%	100%

The asset allocation policy for the pension plan is as follows: fixed income securities 30% to 60% (which may include U.S. government securities and U.S. government agency bonds, corporate notes and bonds, mortgage-backed bonds, preferred stock and the fixed income securities of foreign governments and corporations and equity securities 30% to 60% (which may include domestic common stock, convertible notes and bonds, convertible preferred stocks, foreign equity securities, and mutual funds and limited liability companies or partnerships that invest in allowed securities as defined above.

CMC's investment strategy for pension plan assets is designed to emphasize long-term growth of principal while avoiding excessive risk. The investment performance of the total portfolio, as well as asset class components, is measured against commonly accepted performance benchmarks.

The expected long-term rate of return on plan assets is the expected average rate of return on the funds invested currently and on funds to be invested in the future in order to provide for the benefits included in the projected benefit obligation. The CMC pension plan used 7.5% in calculating the 2011 and 2010 expense amounts. This assumption is based on capital market assumptions and the plan's target asset allocation. CMC continues to monitor the expected long-term rate of return if changes in those parameters cause 7.5% to be outside of a reasonable range of expected returns, or if actual plan returns over an extended period of time suggest general market assumptions are not representative of expected plan results.

NOTE 11 – PENSION PLAN (CONTINUED)

The following table presents the plan assets measured at fair value at August 31, 2011:

Investments	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3	Fair value total
Cash and equivalents	$ 11,092	$ -	$ -	$ 11,092
U.S. Treasury and U.S. agency fixed income:				
U.S. Treasury bills and notes	5,660	-	-	5,660
U.S. government agency debt	-	11,525	-	11,525
	5,660	11,525	-	17,185
Corporate fixed income:				
Strip and zero coupon	-	588	-	588
Asset-backed securities	-	4,521	-	4,521
Financials	-	5,186	-	5,186
Industrials	-	9,785	-	9,785
Other global corporate bonds	-	4,865	-	4,865
	-	24,945	-	24,945
Common stocks:				
Health care	3,140	-	-	3,140
Utilities	625	-	-	625
Financials	2,469	-	-	2,469
Consumer staples	3,410	-	-	3,410
Consumer discretionary	4,048	-	-	4,048
Materials	3,732	-	-	3,732
Energy	3,670	-	-	3,670
Information technology	6,811	-	-	6,811
Industrials	6,624	-	-	6,624
American depository receipts	3,808	-	-	3,808
	38,337	-	-	38,337
Mutual funds:				
Large cap core	11,415	-	-	11,415
Mid cap core	6,471	-	-	6,471
Small cap core	1,734	-	-	1,734
International core	7,787	-	-	7,787
Emerging markets	4,721	-	-	4,721
Specialty-real estate	6,131	-	-	6,131
	38,259	-	-	38,259
	$ 93,348	$ 36,470	$ -	$ 129,818

NOTE 11 – PENSION PLAN (CONTINUED)

The following table presents the plan assets measured at fair value at August 31, 2010:

Investments	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3	Fair value total
Equities – individual shares	$ 33,992	$ -	$ -	$ 33,992
Equities – mutual funds	26,711	-	-	26,711
Fixed income – U.S. government securities	-	18,338	-	18,338
Fixed income – corporate	-	22,656	-	22,656
Cash and equivalents	7,246	-	-	7,246
	$ 67,949	$ 40,994	$ -	$ 108,943

For information about the valuation techniques and inputs to measure fair value of the plan assets, see discussion included in the fair value measurement discussion at Note 6.

The following pension benefit payments reflect expected future service. Payments expected to be paid over the next ten years are as follows (in thousands):

Fiscal year:	
2012	$ 8,700
2013	7,274
2014	17,489
2015	15,031
2016	11,949
2017-2021	88,351

CMC expects to contribute approximately $13,000,000 to the pension plan during the 2012 fiscal year.

NOTE 12 – RESTRICTED NET ASSETS

Temporarily and permanently restricted net assets are available for the following purposes as of August 31, 2011 and 2010 (in thousands):

	2011	2010
Temporarily restricted net assets:		
Patient care	$ 3,596	$ 4,266
Purchase of equipment	2,549	4,164
Scholarships and other education	2,032	990
Other	3,882	4,514
	12,059	13,934
Permanently restricted net assets	384	384
Total temporary and permanently restricted net assets	$ 12,443	$ 14,318

NOTE 13 – FUNCTIONAL CLASSIFICATION OF OPERATING EXPENSES

The following is a summary of management's estimated functional classification of operating expenses as of August 31, 2011 and 2010 (in thousands):

	2011	2010
Program services	$ 1,010,976	$ 971,055
Management and general	86,869	89,542
Fund-raising	1,207	1,780
	$ 1,099,052	$ 1,062,377

NOTE 14 – OPERATING LEASES

CMC leases certain property and equipment under noncancelable operating leases that expire in various years through 2016. Future minimum payments at August 31, 2011, by fiscal year and in the aggregate, under noncancelable operating leases with initial terms of one year or more consist of the following (in thousands):

Fiscal year:		
2012	$	3,028
2013		2,899
2014		2,337
2015		2,287
2016		1,407
Thereafter		10,944
	$	22,902

Total operating lease expense in 2011 and 2010 was $12,466,000 and $18,059,000, respectively.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Claims and Regulatory Environment – CMC is involved in various claims and litigation, as both plaintiff and defendant, arising in the ordinary course of business. The healthcare industry is subjected 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 healthcare program participation requirements, reimbursement for patient services, and Medicare fraud and abuse. Government activity remains at a high level with respect to investigations and allegations across the nation concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

In March 2010, President Obama signed the Health Care Reform Legislation into law. The new law will result in sweeping changes across the health care industry. The primary goal of this comprehensive legislation is to extend coverage to approximately 32 million uninsured legal U.S. residents through a combination of public program expansion and private sector health insurance reforms. To fund the expansion of insurance coverage, the legislation contains measures designed to promote quality and cost efficiency in health care delivery and to generate budgetary savings in the Medicare and Medicaid programs. CMC is unable to predict the full impact of the Health Care Reform Legislation at this time due to the law's complexity and current lack of implementing regulations or interpretive guidance. However, CMC expects that provisions of the Health Care Reform Legislation, should it remain in effect in substantially its current form, will have a material effect on its business.

SUPPLEMENTARY INFORMATION

MOSS-ADAMS LLP
Certified Public Accountants | Business Consultants

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY INFORMATION

The Board of Trustees
Community Hospitals of Central California and Affiliated Corporations
dba Community Medical Centers

We have audited and reported separately herein on the consolidated financial statements of Community Hospitals of Central California and Affiliated Corporations dba Community Medical Centers as of and for the year ended August 31, 2011.

Our audit was made for the purpose of forming an opinion on the consolidated financial statements of Community Hospitals of Central California and Affiliated Corporations dba Community Medical Centers taken as a whole. The consolidating information included on pages 32 through 35 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the components of Community Medical Centers. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Moss Adams LLP

Stockton, California
November 30, 2011

COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA
AND AFFILIATED CORPORATIONS
dba COMMUNITY MEDICAL CENTERS
CONSOLIDATING SCHEDULE – BALANCE SHEET (in thousands)
AUGUST 31, 2011

Assets	Acute care services	Skilled nursing services	Community Hospitals of Central California	Fresno Heart and Surgical Hospital	Other corporate activities	Deran Koligian Ambulatory Care Center	Community Insurance Services Company	Physician management services	Development activities	Eliminations	Consolidated
Current assets:											
Cash and equivalents	$ 78,825	$ -	$ 199	$ 4,749	$ 12,552	$ 203	$ -	$ -	$ -	$ -	$ 96,528
Short-term investments	39,816	-	-	-	-	-	-	-	-	-	39,816
Patient accounts receivable (less allowance for doubtful accounts of $108,440)	125,283	-	-	10,219	166	-	-	-	-	-	135,668
Due from State of California for supplemental funding	9,947	-	-	-	-	-	-	-	-	-	9,947
Other receivables	2,931	-	814	80	-	-	-	-	-	(668)	3,157
Inventories	9,170	-	-	1,472	594	-	-	-	-	-	11,236
Prepaid expenses and other	27,372	-	3,187	620	-	-	306	-	7	-	31,492
Total current assets	293,344	-	4,200	17,140	13,312	203	306	-	7	(668)	327,844
Assets limited as to use											
Board-designated assets	209,462	-	3,655	-	-	-	-	-	6,769	-	219,886
Assets held by trustee for											
Debt service	38,472	-	1,516	647	-	211	-	-	-	-	40,846
Self-insurance in captive insurance company	-	-	-	-	-	-	13,427	-	-	-	13,427
Project funds	23,413	-	-	-	-	-	-	-	-	-	23,413
Donor-restricted assets	-	-	-	-	-	-	-	-	12,443	-	12,443
Total assets limited as to use	271,347	-	5,171	647	-	211	13,427	-	19,212	-	310,015
Property, plant, and equipment, net	364,589	-	24,928	44,341	-	23,999	-	-	2	-	457,859
Construction in progress	170,493	-	35,399	3,386	-	-	-	-	-	(497)	208,781
Other assets	48,045	-	39,714	3,424	340	295	-	-	22	(30,836)	61,004
Total assets	$ 1,147,818	$ -	$ 109,412	$ 68,938	$ 13,652	$ 24,708	$ 13,733	$ -	$ 19,243	$ (32,001)	$ 1,365,503

COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA
AND AFFILIATED CORPORATIONS
dba COMMUNITY MEDICAL CENTERS
CONSOLIDATING SCHEDULE – BALANCE SHEET (in thousands)
AUGUST 31, 2011

Liabilities and Net Assets	Acute care services	Skilled nursing services	Community Hospitals of Central California	Fresno Heart and Surgical Hospital	Other corporate activities	Deran Koligian Ambulatory Care Center	Community Insurance Services Company	Physician management services	Development activities	Eliminations	Consolidated
Current liabilities:											
Accounts payable	$ 39,449	$ -	$ 7,823	$ 4,386	$ 550	$ -	$ 89	$ -	$ 13	$ (118)	$ 52,192
Accrued compensation and employee benefits	53,770	-	8,700	5,285	-	-	-	-	96	-	67,851
Estimated third-party settlements	23,702	-	-	283	-	-	-	-	-	-	23,985
Other accrued liabilities and deferred revenue	43,818	-	997	141	20	498	7,146	-	-	(550)	52,070
Current maturities of long-term debt	10,701	-	105	145	-	-	-	-	-	-	10,951
Total current liabilities	171,440	-	17,625	10,240	570	498	7,235	-	109	(668)	207,049
Intercompany (receivable) payable	(147,618)	-	116,985	20,721	7,355	-	-	-	2,557	-	-
Long-term debt, less current maturities	490,448	-	6,862	14,769	-	25,589	-	-	-	-	537,668
Pension benefit obligation	-	-	63,607	-	-	-	-	-	-	-	63,607
Other long-term obligations	39,710	-	3,655	125	-	-	-	-	-	-	43,490
Total liabilities	553,980	-	208,734	45,855	7,925	26,087	7,235	-	2,666	(668)	851,814
Net assets (liabilities)											
Unrestricted	593,838	-	(99,322)	23,083	5,727	(1,379)	6,498	-	4,134	(31,333)	501,246
Temporarily and permanently restricted	-	-	-	-	-	-	-	-	12,443	-	12,443
Total net assets (liabilities)	593,838	-	(99,322)	23,083	5,727	(1,379)	6,498	-	16,577	(31,333)	513,689
Total liabilities and net assets	$ 1,147,818	$ -	$ 109,412	$ 68,938	$ 13,652	$ 24,708	$ 13,733	$ -	$ 19,243	$ (32,001)	$ 1,365,503

See accompanying report of independent auditors

COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA
AND AFFILIATED CORPORATIONS
dba COMMUNITY MEDICAL CENTERS
CONSOLIDATING SCHEDULE – STATEMENT OF OPERATIONS (in thousands)
YEAR ENDED AUGUST 31, 2011

	Acute care services	Skilled nursing services	Community Hospitals of Central California	Fresno Heart and Surgical Hospital	Other corporate activities	Deran Koligian Ambulatory Care Center	Community Insurance Services Company	Physician management services	Development activities	Eliminations	Consolidated
Unrestricted revenues, gains, and other support											
Net patient service revenues (including SB855 disproportionate share and Private Hospital funding of $46,418)	$ 1,098,470	$ -	$ -	$ 76,314	$ 1,147	$ -	$ -	$ -	$ -	$ -	$ 1,175,931
Premium revenue	1,327	-	-	-	-	-	-	-	-	-	1,327
Investment income	8,735	-	(8,114)	-	28	-	-	-	-	8,010	8,659
Other revenue	17,907	-	6,690	1,005	7,499	499	4,234	-	1,119	(6,412)	32,541
Total unrestricted revenues, gains, and other support	1,126,439	-	(1,424)	77,319	8,674	499	4,234	-	1,119	1,598	1,218,458
Expenses											
Salaries, wages, and benefits	461,237	-	1,892	32,639	6,926	-	-	-	808	-	503,502
Supplies	156,224	-	113	19,638	1,227	-	-	-	54	-	177,256
Outside services	141,761	-	1,466	8,254	192	1	131	-	151	(63)	151,893
Insurance	6,938	-	20	595	2	-	2,222	-	1	(4,306)	5,472
Depreciation and amortization	34,933	-	1,230	4,107	20	1,074	-	-	10	(16)	41,358
Rental and lease	11,343	-	89	806	184	54	-	-	93	(1,032)	11,537
Interest	14,728	-	12	1,752	-	483	-	-	-	(1,014)	15,961
Utilities	8,697	-	345	1,134	6	-	-	-	1	-	10,183
Other	72,938	-	411	4,089	48	2	214	-	89	-	77,791
Provision for bad debts	105,456	-	-	326	-	-	-	-	-	-	105,782
Gain on early extinguishment of debt	(1,683)	-	-	-	-	-	-	-	-	-	(1,683)
Total expenses	1,012,572	-	5,578	73,340	8,605	1,614	2,567	-	1,207	(6,431)	1,099,052
Income (loss) from operations	113,867	-	(7,002)	3,979	69	(1,115)	1,667	-	(88)	8,029	119,406
Excess (deficit) of revenues, gains, and other support over expenses	113,867	-	(7,002)	3,979	69	(1,115)	1,667	-	(88)	8,029	119,406
Net change in unrealized gains and losses on investments	562	-	-	-	-	-	-	-	-	-	562
Net assets released from restrictions for equipment acquisition	1,372	-	-	-	-	-	-	-	3,112	-	4,484
Change in unfunded accumulated pension benefit obligation	-	-	14,682	-	-	-	-	-	-	-	14,682
Equity transfer	(5,106)	5,106	-	(11,000)	-			(15,167)		26,167	-
Other	1	-	(1)	(1)	1	1	-	-	2	(3)	-
Change in unrestricted net assets	$ 110,696	$ 5,106	$ 7,679	$ (7,022)	$ 70	$ (1,114)	$ 1,667	$ (15,167)	$ 3,026	$ 34,193	$ 139,134

COMMUNITY HOSPITALS OF CENTRAL CALIFORNIA
AND AFFILIATED CORPORATIONS
dba COMMUNITY MEDICAL CENTERS
CONSOLIDATING SCHEDULE – STATEMENT OF CHANGES IN NET ASSETS (in thousands)
YEAR ENDED AUGUST 31, 2011

	Acute care services	Skilled nursing services	Community Hospitals of Central California	Fresno Heart and Surgical Hospital	Other corporate activities	Deran Koligian Ambulatory Care Center	Community Insurance Services Company	Physician management services	Development activities	Eliminations	Consolidated
Unrestricted net assets (liabilities):											
Balance at August 31, 2010	$ 483,142	$ (5,106)	$ (107,001)	$ 30,105	$ 5,657	$ (265)	$ 4,831	$ 15,167	$ 1,108	$ (65,526)	$ 362,112
Excess (deficit) of revenues, gains, and other support over expenses	113,867	-	(7,002)	3,979	69	(1,115)	1,667	-	(88)	8,029	119,406
Net change in unrealized gains and losses on investments	562	-	-	-	-	-	-	-	-	-	562
Net assets released from restrictions for equipment acquisition	1,372	-	-	-	-	-	-	-	3,112	-	4,484
Change in unfunded accumulated pension benefit obligation	-	-	14,682	-	-	-	-	-	-	-	14,682
Equity transfer	(5,106)	5,106	-	(11,000)	-	-	-	(15,167)	-	26,167	-
Other	1	-	(1)	(1)	1	1	-	-	2	(3)	-
Change in unrestricted net assets	110,696	5,106	7,679	(7,022)	70	(1,114)	1,667	(15,167)	3,026	34,193	139,134
Balance at August 31, 2011	593,838	-	(99,322)	23,083	5,727	(1,379)	6,498	-	4,134	(31,333)	501,246
Temporarily and permanently restricted net assets:											
Balance at August 31, 2010	-	-	-	-	-	-	-	-	14,318	-	14,318
Donor-restricted contributions	-	-	-	-	-	-	-	-	4,458	-	4,458
Net assets released from restriction and used for operations	-	-	-	-	-	-	-	-	(1,849)	-	(1,849)
Net assets released from restrictions for equipment acquisition	-	-	-	-	-	-	-	-	(4,484)	-	(4,484)
Change in temporarily and permanently restricted net assets	-	-	-	-	-	-	-	-	(1,875)	-	(1,875)
Balance at August 31, 2011	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,443	$ -	$ 12,443

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
CRAIG CASTRO CHIEF EXECUTIVE OFFICER CCMC	70 00				X			596,915	0	58,244
JACK CHUBB CHIEF EXECUTIVE OFFICER CRMC	70 00				X			511,549	0	63,714
WANDA HOLDERMAN CHIEF EXECUTIVE OFFICER FHSH	70 00				X			432,595	0	53,161
CRAIG WAGONER CHIEF OPERATIONS OFFICER CRMC	61 00				X			290,984	0	21,052
GEORGE LUENA CLINICAL NURSE 4	65 00					X		258,370	0	17,169
BRUCE KINDER EXC DIR NURSING CLIN OPS-INFO	61 00					X		228,353	0	20,517
KAREN BUCKLEY VP CHIEF NURSING OFFICER	51 00					X		232,088	0	8,160
GREGORY RUBIOLO PHARMACIST-STAFF CLINICAL 2	51 00					X		275,532	0	17,580
LAURIE ALVERS CHIEF PLANNING OFFICER	55 00					X		183,447	0	7,436

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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
FRESNO COMMUNITY HOSPITAL AND MEDICAL CENTER

Employer identification number
94-1156276

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 ▶ $ _____