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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 10-01-2010 and ending 09-30-2011

B Check if applicable
- [x] Address change
- [ ] Name change
- [ ] Initial return
- [ ] Terminated
- [ ] Amended return
- [ ] Application pending

C Name of organization
BEATRICE COMM HOSP & HEALTH CENTER INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
4800 HOSPITAL PARKWAY

City or town, state or country, and ZIP + 4
BEATRICE, NE 68310

D Employer identification number
47-0379834

E Telephone number
(402) 228-3344

G Gross receipts $ 40,766,690

F Name and address of principal officer
JON MCMILLAN
4800 HOSPITAL PARKWAY
BEATRICE, NE 68310

H(a) Is this a group return for affiliates? [ ] Yes [x] 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 [x] 501(c)(3) [ ] 501(c) ( ) ◀ (insert no) [ ] 4947(a)(1) or [ ] 527

J Website: ▶ WWW BEATRICECOMMUNITYHOSPITAL COM

K Form of organization [x] Corporation [ ] Trust [ ] Association [ ] Other ▶ | **L** Year of formation 1968 | **M** State of legal domicile NE

Part I Summary

1 Briefly describe the organization's mission or most significant activities
BEATRICE COMMUNITY HOSPITAL AND HEALTH CENTER IS DEDICATED TO PROVIDING COMPASSIONATE HEALTHCARE AND TO ACHIEVING EXCELLENCE THROUGH COMMITMENT TO QUALITY OUR VISION STATEMENT STATES THAT WE ARE TO BE THE HEALTHCARE PROVIDER OF CHOICE PROVIDING ACCESS TO NEEDED SERVICES AND TAKING A LEADERSHIP ROLE IN THE HEALTHCARE DELIVERY SYSTEM IN ACCORDANCE WITH THIS STATEMENT, WE CONTINUE TO WORK WITH OTHERS TO IDENTIFY THE HEALTHCARE NEEDS OF OUR COMMUNITY AND STRIVE TO MEET OR EXCEED THOSE NEEDS

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	14
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	11
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	416
6	Total number of volunteers (estimate if necessary)	**6**	119
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	121,372
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	113,921

		Prior Year	Current Year
Revenue **8**	Contributions and grants (Part VIII, line 1h)	1,060,321	70,449
9	Program service revenue (Part VIII, line 2g)	40,541,533	40,191,008
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	100,096	94,335
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	384,358	402,979
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	42,086,308	40,758,771
Expenses **13**	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	315,668
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)	23,141,855	22,565,857
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)	16,408,540	15,535,028
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	39,550,395	38,416,553
19	Revenue less expenses Subtract line 18 from line 12	2,535,913	2,342,218

		Beginning of Current Year	End of Year
Net Assets or Fund Balances **20**	Total assets (Part X, line 16)	83,069,056	89,369,657
21	Total liabilities (Part X, line 26)	50,076,220	54,030,530
22	Net assets or fund balances Subtract line 21 from line 20	32,992,836	35,339,127

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

****** | 2012-08-08
Signature of officer | Date

JON MCMILLAN CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ▶ [ ]	PTIN
JULIE M GERKEN	JULIE M GERKEN			

Firm's name ▶ SEIM JOHNSON LLP | Firm's EIN ▶

Firm's address ▶ 18081 BURT STREET SUITE 200
OMAHA, NE 680224722 | Phone no ▶ (402) 330-2660

May the IRS discuss this return with the preparer shown above? (see instructions) [x] 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

BEATRICE COMMUNITY HOSPITAL AND HEALTH CENTER IS DEDICATED TO PROVIDING COMPASSIONATE HEALTHCARE AND TO ACHIEVING EXCELLENCE THROUGH OUR COMMITMENT TO QUALITY OUR VISION STATEMENT STATES THAT WE ARE TO BE THE HEALTHCARE PROVIDER OF CHOICE PROVIDING ACCESS TO NEEDED SERVICES AND TAKING A LEADERSHIP ROLE IN THE HEALTHCARE DELIVERY SYSTEM IN ACCORDANCE WITH THIS STATEMENT, WE CONTINUE TO WORK WITH OTHERS TO IDENTIFY THE HEALTHCARE NEEDS OF OUR COMMUNITY AND STRIVE TO MEET OR EXCEED THOSE NEEDS

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 $ 29,764,546 including grants of $) (Revenue $ 36,299,716)

HOSPITAL INPATIENT AND OUTPATIENT CARE SERVICES INCLUDE ANCILLARY AND ACUTE CARE ALONG WITH SERVING AS A CLINICAL EDUCATION SITES FOR STUDENTS FOR AREAS INVOLVING THE PHYSICAL THERAPY DEPARTMENT, THE EMERGENCY DEPARTMENT, THE SPEECH PATHOLOGY DEPARTMENT, THE OCCUPATIONAL THERAPY DEPARTMENT, AND THE NURSING DEPARTMENT

4b (Code) (Expenses $ 1,546,244 including grants of $) (Revenue $ 1,885,741)

PHYSICIAN CLINICS SERVICES INCLUDE ACUTE CARE SERVICES AS WELL AS PROVIDING SPORTS PHYSICALS FOR LOCAL HIGH SCHOOL ATHLETES AND FOR PARTICIPANTS IN THE SPECIAL OLYMPICS

4c (Code) (Expenses $ 850,662 including grants of $) (Revenue $ 1,037,435)

HOSPICE/LONG-TERM CARE SERVICES INCLUDE CARE-TAKING FOR THE ELDERLY ALONG WITH PROVIDING A GRIEF RECOVERY PROGRAM FOR THOSE PEOPLE WHO HAVE LOST A LOVED ONE TO DEATH HOME HEALTH IS AVAILABLE FOR PEOPLE OF ALL AGES, ASSISTING THEM IN THE RECOVERY AND REHABILITATION FROM ALL TYPES OF ILLNESS, INJURIES AND OTHER HEALTH PROBLEMS SKILLED INTERMITTENT HOME CARE THAT IS PHYSICIAN ORDERED IS PROVIDED BY REGISTERED NURSES, PHYSICAL, OCCUPATIONAL AND SPEECH THERAPISTS AND NURSE AIDES AREAS SERVED INCLUDE GAGE, JEFFERSON , PAWNEE AND SALINE COUNTIES

4d Other program services (Describe in Schedule O) **See also Additional Data for Description**

(Expenses $ 624,279 including grants of $ 315,668) (Revenue $ 968,126)

4e **Total program service expenses** ▶ $ 32,785,731

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		
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	Yes	
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e		No
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b		No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	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**	Yes	
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**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	**35**		No
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2* ☐ **Yes** ☑ **No**			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	33		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	416		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b				
c	Enter the amount of reserves on hand	13c				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			14b		

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	14		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	11		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		5		No
6	Does the organization have members or stockholders?		6		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

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

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 ▶

BEATRICE COMM HOSP & HEALTH CENTER
4800 HOSPITAL PARKWAY
BEATRICE, NE 68310
(402) 228-3344

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) JOHN RYPMA CHAIRMAN	4 00	X		X				0	0	0
(2) MITCHELL DEINES VICE CHAIRMAN	4 00	X		X				0	0	0
(3) JAMES ENSZ SECRETARY	4 00	X		X				0	0	0
(4) ROLAND PENNER TREASURER	4 00	X		X				0	0	0
(5) BRETT STUDLEY MD MEDICAL STAFF PRESIDENT	40 00	X		X				301,535	0	36,503
(6) JAMES BAUER MEMBER	2 00	X						0	0	0
(7) BLAKE BUTLER MD MEMBER	2 00	X						0	0	0
(8) DARIN HOFFMAN MD MEMBER	40 00	X						271,253	0	21,800
(9) LEROY JANZEN MEMBER	2 00	X						0	0	0
(10) BARBARA JOHNSEN MEMBER	2 00	X						0	0	0
(11) STEPHANIE PERKINS MEMBER	2 00	X						0	0	0
(12) BOB REED MEMBER	2 00	X						0	0	0
(13) LARRY THIMM MEMBER	2 00	X						0	0	0
(14) ERIC THOMSEN MD MEMBER	2 00	X						0	0	0
(15) THOMAS SUMMERS CEO	38 00			X				303,441	0	32,539
(16) CHARLOTTE CAMPBELL CHIEF HR OFFICER	40 00			X				119,555	0	16,088

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(17) ARLINDA AMENT COMPL & RISK MGT OFFICER	40 00			X				105,023	0	17,405
(18) JON MCMILLAN CFO	38 00			X				171,293	0	8,103
(19) AMANDA MCKINNEY OB/GYN PHYSICIAN	40 00					X		311,090	0	36,597
(20) MICHAEL HAVEKOST ED - PHYSICIAN	40 00					X		300,900	0	36,500
(21) DEBORAH GREGORY OB/GYN PHYSICIAN	40 00					X		289,456	0	36,703
(22) ERIC RIDDLE PHYSICIAN - HOSPITALIST	40 00					X		284,899	0	36,503
(23) CHRISTOPHER HALL PHYSICIAN - HOSPITALIST	40 00					X		281,590	0	36,503
1b Sub-Total . . . . . ▶										
c Total from continuation sheets to Part VII, Section A . . . . ▶										
d Total (add lines 1b and 1c) . . . . . ▶								2,740,035	0	315,244

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 ▶ 23

			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
SEIM JOHNSON LLP 18081 BURT STREET SUITE 200 OMAHA, NE 68022	FINANCIAL - AUDIT SERVICES	137,269
BAIRD HOLM LLP 1700 FARNAM STREET SUITE 1500 OMAHA, NE 68102	LEGAL SERVICES	127,774

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 ▶ 2

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	61,797				
	e Government grants (contributions) 1e	8,652				
	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 . . . . . ▶		70,449			
Program Service Revenue		Business Code				
	2a PATIENT SERVICE REVENU	621990	20,204,551	20,204,551		
	b MEDICARE & MEDICAID	621990	19,218,341	19,218,341		
	c MEDICAL SERVICES TO OT	621990	249,691	249,691		
	d SALE OF SUPPLIES	339110	244,823	244,823		
	e MGMT FEES - BEATRICE R	541610	55,044	55,044		
	f All other program service revenue		218,558	218,558		
	g **Total.** Add lines 2a–2f . . . . . ▶		40,191,008			
	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		92,935			92,935
	4 Income from investment of tax-exempt bond proceeds . . ▶					
	5 Royalties . . . . . ▶					
		(i) Real	(ii) Personal			
	6a Gross Rents	100,810				
	b Less rental expenses	7,919				
	c Rental income or (loss)	92,891				
	d Net rental income or (loss) . . . . . ▶		92,891			92,891
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory		1,400			
	b Less cost or other basis and sales expenses					
	c Gain or (loss)		1,400			
	d Net gain or (loss) . . . . . ▶		1,400			1,400
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 CAFETERIA SALES & VEND	722210	174,496			174,496
	b MHR HOME CARE LLC	446199	121,372		121,372	
	c GIFT SHOP REVENUE	453220	14,220			14,220
	d All other revenue					
	e **Total.** Add lines 11a–11d . . . . . ▶		310,088			
	12 **Total revenue.** See Instructions . . . ▶		40,758,771	40,191,008	121,372	375,942

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	315,668	315,668		
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	1,404,538	631,091	773,447	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	34,958	34,958		
7 Other salaries and wages	16,665,752	14,767,338	1,898,414	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits	3,176,560	2,770,045	406,515	
10 Payroll taxes	1,284,049	1,098,314	185,735	
a Fees for services (non-employees) Management				
b Legal	103,776		103,776	
c Accounting	73,250		73,250	
d Lobbying				
e Professional fundraising services *See Part IV, line 17*				
f Investment management fees				
g Other	3,330,603	2,693,583	637,020	
12 Advertising and promotion	171,756	50,521	121,235	
13 Office expenses	6,600,506	5,720,481	880,025	
14 Information technology				
15 Royalties				
16 Occupancy	546,022	531,091	14,931	
17 Travel	112,688	108,988	3,700	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	162,059	119,513	42,546	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	2,098,438	2,098,438		
23 Insurance	243,806	243,806		
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a BAD DEBTS	1,473,916	1,473,916		
b MISCELLANEOUS	375,791	33,543	342,248	
c BOOKS & SUBSCRIPTIONS	147,867	29,999	117,868	
d LICENSES & DUES	91,595	61,483	30,112	
e EDUCATION & TRAINING	2,955	2,955		
f All other expenses				
25 **Total functional expenses.** Add lines 1 through 24f	38,416,553	32,785,731	5,630,822	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		480	1	480
	2	Savings and temporary cash investments		14,554,462	2	17,715,682
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		6,667,236	4	6,091,709
	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		872,061	7	788,328
	8	Inventories for sale or use		1,492,601	8	1,291,742
	9	Prepaid expenses and deferred charges		1,199,056	9	1,241,968
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 69,095,642			
	b	Less accumulated depreciation	10b 22,471,482	14,275,513	10c	46,624,160
	11	Investments—publicly traded securities		42,238,824	11	14,621,196
	12	Investments—other securities See Part IV, line 11		2,246	12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		1,766,577	15	994,392
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		83,069,056	16	89,369,657
Liabilities	17	Accounts payable and accrued expenses		5,076,220	17	9,030,530
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		45,000,000	20	45,000,000
	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			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D			25	
	26	**Total liabilities.** Add lines 17 through 25		50,076,220	26	54,030,530
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		32,992,836	27	35,339,127
	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		32,992,836	33	35,339,127
	34	Total liabilities and net assets/fund balances		83,069,056	34	89,369,657

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	40,758,771
2	Total expenses (must equal Part IX, column (A), line 25)	2	38,416,553
3	Revenue less expenses Subtract line 2 from line 1	3	2,342,218
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	32,992,836
5	Other changes in net assets or fund balances (explain in Schedule O)	5	4,073
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	35,339,127

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
BEATRICE COMM HOSP & HEALTH CENTER INC

Employer identification number
47-0379834

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: 47-0379834
Name: BEATRICE COMM HOSP & HEALTH CENTER INC

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

4d. Other program services

(Code) (Expenses $ 624,279 including grants of $ 315,668) (Revenue $ 968,126)
OTHER PROGRAM

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2010

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
BEATRICE COMM HOSP & HEALTH CENTER INC	47-0379834

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

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

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		4,346
j	Total lines 1c through 1i			4,346
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
EXPLANATION OF OTHER LOBBYING ACTIVITIES	PART II-B, LINE 1I	BCH IS A MEMBER OF AHA AND NHA FOR 2011 THE AHA AND NHA HAS ESTIMATED THAT 23 76% AND 7 68%, RESPECTIVELY, OF MEMBERSHIP DUES WILL BE USED FOR LOBBYING AND POLITICAL ACTIVITIES

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
BEATRICE COMM HOSP & HEALTH CENTER INC

Employer identification number
47-0379834

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

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

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

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table

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

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

b If "Yes," explain the arrangement in Part XIV

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	1,128,237	1,074,190	1,008,139		
b Contributions	6,015	7,169			
c Investment earnings or losses	-116,276	46,878	66,051		
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	1,017,976	1,128,237	1,074,190		

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment ▶ 77 850 %
- b Permanent endowment ▶ 18 250 %
- c Term endowment ▶ 3 900 %

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)		No
(ii) related organizations	3a(ii)	Yes	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	Yes	

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		901,362		901,362
b Buildings		5,804,575	4,623,544	1,181,031
c Leasehold improvements				
d Equipment		21,559,762	17,424,009	4,135,753
e Other	273,359	40,556,584	423,929	40,406,014
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				46,624,160

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

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

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

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

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

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

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	

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	40,758,771
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	38,416,553
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	2,342,218
4	Net unrealized gains (losses) on investments	4	4,073
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	4,073
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	2,346,291

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	40,762,844
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	4,073		
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	4,073
3	Subtract line **2e** from line **1**			3	40,758,771
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	0
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	40,758,771

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

1	Total expenses and losses per audited financial statements			1	38,416,553
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	0
3	Subtract line **2e** from line **1**			3	38,416,553
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	0
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	38,416,553

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE ENDOWMENT FUNDS ARE HELD BY BEATRICE COMMUNITY HOSPITAL FOUNDATION, INC , A SUPPORTING ORGANIZATION OF BEATRICE COMMUNITY HOSPITAL AND HEALTH CENTER THESE FUNDS ARE BEING HELD TO PROVIDE HEALTH PROFESSIONAL SCHOLARSHIPS AND SUPPORT THE BEATRICE COMMUNITY HOSPITAL HOSPICE PROGRAM
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE HOSPITAL IS A NOT-FOR-PROFIT CORPORATION AS DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND IS EXEMPT FROM FEDERAL INCOME TAXES ON RELATED INCOME PURSUANT TO SECTION 501 (A) OF THE CODE THE INTERNAL REVENUE SERVICE HAS ESTABLISHED STANDARDS TO BE MET TO MAINTAIN TAX EXEMPT STATUS IN GENERAL, SUCH STANDARDS REQUIRE THE HOSPITAL TO MEET A COMMUNITY BENEFIT STANDARD AND COMPLY WITH VARIOUS LAWS AND REGULATIONS THE HOSPITAL ACCOUNTS FOR UNCERTAINTIES IN ACCOUNTING FOR INCOME TAX ASSETS AND LIABILITIES USING GUIDANCE INCLUDED IN FASB ASC 740, INCOME TAXES THE HOSPITAL RECOGNIZES THE EFFECT OF INCOME TAX POSITIONS ONLY IF THOSE POSITIONS ARE MORE LIKELY THAN NOT OF BEING SUSTAINED AT SEPTEMBER 30, 2011 AND 2010, THE HOSPITAL HAD NO UNCERTAIN TAX POSITIONS ACCRUED WITH FEW EXCEPTIONS, THE HOSPITAL IS NO LONGER SUBJECT TO INCOME TAX EXAMINATIONS BY THE U S FEDERAL, STATE OR LOCAL TAX AUTHORITIES FOR YEARS BEFORE 2007

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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
BEATRICE COMM HOSP & HEALTH CENTER INC

Employer identification number
47-0379834

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	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Does the organization prepare a community benefit report during the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			723,941		723,941	1 960 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			3,613,833	3,724,349	-110,516	0 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			4,337,774	3,724,349	613,425	1 960 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			2,283,893		2,283,893	6 180 %
f Health professions education (from Worksheet 5)			42,613		42,613	0 120 %
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			2,326,506		2,326,506	6 300 %
k **Total.** Add lines 7d and 7j			6,664,280	3,724,349	2,939,931	8 260 %

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	779,702		
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	13,309,225		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	13,497,616		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-188,391		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV **Management Companies and Joint Ventures**

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Part V Facility Information

Section A. Hospital Facilities

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

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

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	BEATRICE COMMUNITY HOSPITAL AND HEALTH C 4800 HOSPITAL PARKWAY BEATRICE,NE 68310	X	X			X		X		

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

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? 3

	Name and address	Type of Facility (Describe)
1	PARKVIEW CENTER 1201 SOUTH 9TH STREET BEATRICE, NE 68310	LONG TERM CARE/NURSING HOME
2	PARKVIEW CENTER 1201 SOUTH 9TH STREET BEATRICE, NE 68310	LONG TERM CARE/NURSING HOME
3	PARKVIEW CENTER 1201 SOUTH 9TH STREET BEATRICE, NE 68310	LONG TERM CARE/NURSING HOME
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the description required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
		PART I, LINE 3C FEDERAL POVERTY GUIDELINES ARE USED TO DETERMINE ELIGIBILITY FOR PROVIDING FREE AND DISCOUNTED CARE TO LOW INCOME INDIVIDUALS

Identifier	ReturnReference	Explanation
		PART I, LINE 6A BEATRICE COMMUNITY HOSPITAL & HEALTH CENTER INC 'S COMMUNITY BENEFIT REPORT IS NOT PREPARED BY A RELATED ORGANIZATION

Identifier	ReturnReference	Explanation
		PART I, LINE 7 THE COST TO CHARGE RATIO WAS USED TO DETERMINE CHARITY CARE AND MEANS-TESTED GOVERNMENT PROGRAMS AT COST OTHER COMMUNITY BENEFIT EXPENSES ARE STATED AT COST AS DERIVED FROM BEATRICE COMMUNITY HOSPITAL AND HEALTH CENTER'S INTERNAL ACCOUNTING RECORDS

Identifier	ReturnReference	Explanation
		PART I, LINE 7G AS THERE ARE NO SUBSIDIZED HEALTH SERVICES REPORTED ON LINE 7G, THERE ARE NO COSTS ATTRIBUTABLE TO A PHYSICIAN CLINIC ON LINE 7G

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) THE BAD DEBT EXPENSE THAT HAS BEEN SUBTRACTED FROM TOTAL EXPENSES TO DETERMINE THE DENOMINATOR IN THE PERCENTAGES FOR LINE 7 COLUMN(F) IS $1,473,916

Identifier	ReturnReference	Explanation
		PART II NOT APPLICABLEOUR MOST SIGNIFICANT "COMMUNITY BENEFIT" ACTIVITIES WOULD INCLUDE 1 THE GAGE COUNTY IMMUNIZATION CLINIC BCH PROVIDES AN IMMUNIZATION CLINIC FOR ALL INFANTS AND CHILDREN TO AGE 18 THE VACCINE IS PROVIDED BY THE STATE OF NEBRASKA AND HOSPITAL NURSES AND CLERICAL STAFF PROVIDE THE MANPOWER A FREEWILL DONATION IS ENCOURAGED THE CLINIC IS AVAILABLE ON A WEEKLY BASIS 2 READY-SET-GO BACK-TO-SCHOOL PROGRAM BCH PARTNERS WITH THE BEATRICE SALVATION ARMY TO PROVIDE A VARIETY OF FREE SERVICES AND ITEMS TO MEET THE BACK-TO-SCHOOL NEEDS FOR LOW-INCOME GAGE COUNTY RESIDENTS DURING THIS EVENT, FAMILIES CAN RECEIVE FREE SCHOOL PHYSICALS, A HEARING EXAM, A PACKAGE OF PERSONAL CARE ITEMS LIKE A TOOTHBRUSH AND TOOTHPASTE AND A BACKPACK WITH SCHOOL SUPPLIES IN ADDITION, THERE ARE EDUCATIONAL BOOTHS ON NUTRITION AND DIABETES, FOR EXAMPLE, AND INFORMATIONAL BOOTHS BY LOCAL ORGANIZATIONS LIKE BOY SCOUTS AND GIRL SCOUTS 3 JOB SHADOWING BCH OFFERS AN EXTENSIVE JOB SHADOWING PROGRAM THAT ALLOWS UPPER HIGH SCHOOL AND COLLEGE-AGED STUDENTS TO SHADOW PHYSICIANS AND CLINICAL STAFF IN ANY DEPARTMENT FOR A FIRST-HAND LOOK AT HEALTH-RELATED JOBS AND CAREERS

Identifier	ReturnReference	Explanation
		PART III, LINE 4 THE ORGANIZATION'S FINANCIAL STATEMENTS DO NOT CONTAIN A SPECIFIC FOOTNOTE DESCRIBING BAD DEBT HOWEVER, THE FOLLOWING IS THE TEXT OF THE FOOTNOTES TITLED "PATIENT ACCOUNTS RECEIVABLE" AND "CHARITY CARE" NET PATIENT RECEIVABLES CONSIST OF UNCOLLATERALIZED PATIENT AND THIRD-PARTY OBLIGATIONS REDUCED BY A VALUATION ALLOWANCE FOR DOUBTFUL ACCOUNTS AND CONTRACTUAL ADJUSTMENTS FROM THIRD PARTY PAYORS THE ALLOWANCES REFLECT MANAGEMENT'S ESTIMATE OF AMOUNTS THAT WILL NOT BE COLLECTED IN THE FUTURE AND ARE BASED ON REVIEWS OF PATIENT BALANCES BY PAYOR CLASSES PERCENTAGES ARE APPLIED TO EACH OF THE PAYOR CLASS BASED ON CONTRACTUAL AGREEMENTS, HISTORICAL COLLECTION AND RECOVERY INFORMATION TO DETERMINE THE NET REALIZABLE VALUE OF THE PATIENT RECEIVABLES PAYMENT FOR SERVICES IS EXPECTED WITHIN THIRTY DAYS OF RECEIPT OF BILLING ACCOUNTS CONSIDERED PAST DUE ARE PURSED IN-HOUSE FOR APPROXIMATELY 60 DAYS FROM THE DATE OF FIRST BILLING AND THEN ARE SENT TO A COLLECTION AGENCY ANY AMOUNTS DEEMED UNCOLLECTIBLE ARE WRITTEN OFF ON A MONTHLY BASIS THE HOSPITAL DOES NOT CHARGE INTEREST ON OUTSTANDING BALANCES OWED THE HEALTHCARE CENTER ALSO MAINTAINS A CHARITY CARE POLICY THE HOSPITAL MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF CHARITY CARE IT PROVIDES THESE RECORDS INCLUDE THE AMOUNT OF CHARGES FOREGONE FOR SERVICES AND SUPPLIES FURNISHED UNDER ITS CHARITY CARE POLICY THE HOSPITAL RECORDED A PROVISION OF $1,368,508 AND $873,960 IN 2011 AND 2010, RESPECTIVELY, RELATING TO THESE SERVICES THE HOSPITAL IS DEDICATED TO PROVIDING COMPREHENSIVE HEALTHCARE SERVICES TO ALL SEGMENTS OF SOCIETY, INCLUDING THE AGED AND OTHERWISE ECONOMICALLY DISADVANTAGED IN ADDITION, THE HOSPITAL PROVIDES A VARIETY OF COMMUNITY HEALTH SERVICES AT OR BELOW COST THE OVERALL COST-TO-CHARGE RATIO WAS USED TO ESTIMATE BAD DEBT AT COST PART III, SECTION A, LINE 2 WAS CALCULATED AS FOLLOWS [(OPERATING EXPENSES - COMMUNITY BENEFIT EXPENSES - BAD DEBT) / (GROSS PATIENT SERVICE REVENUE + OTHER REVENUE)] X BAD DEBT [(38,100,885 - 2,326,506 - 1,473,916) / 63,671,774 + 1,120,172] X 1,473,916 = 779,702

Identifier	ReturnReference	Explanation
		PART III, LINE 8 "MEDICARE ALLOWABLE COSTS OF CARE" WAS CALCULATED FROM INFORMATION IN THE MEDICARE COST REPORT, D, E, H AND M WORKSHEETS, OR PS&R THE SHORTFALL REPRESENTS ACTUAL UNREIMBURSED COSTS INCURRED BY BEATRICE COMMUNITY HOSPITAL & HEALTH CENTER, INC IN PROVIDING SERVICES TO INDIVIDUALS ELIGIBLE FOR MEDICARE THE COMMUNITY BENEFITS BECAUSE THE HOSPITAL APPLIES OTHER REVENUES TO COVER THE COSTS OF CARING FOR MEDICARE PATIENTS

Identifier	ReturnReference	Explanation
		PART III, LINE 9B CHARITY CARE DOCUMENTS AND EDUCATION ARE PROVIDED AT THE POINTS OF REGISTRATION (I E , ED AND OUTPATIENT) INFORMATION RELATED TO AVAILABILITY IS IDENTIFIED ON THE MONTHLY STATEMENTS THE PATIENT ACCOUNT REPRESENTATIVES-SELF PAY NOTIFY THE PATIENT/GUARANTOR DURING COLLECTION CALLS OF THE AVAILIBILITY OF FINANCIAL ASSISTANCE ONCE IT IS UPDATED THE ACTUAL APPLICATION WILL BE AVAILABLE ON THE WEBSITE THE COLLECTIONS - CHARITY WRITE-OFF POLICY PROVIDES THAT ONCE THE RESPONSIBLE PARTY HAS BEEN DETERMINED TO BE ELIGIBLE FOR PATIENT FINANCIAL ASSISTANCE, A LETTER TO THE RESPONSIBLE PARTY WILL BE SENT INDICATING THE FREE CARE AMOUNT AND THE REMAINING BALANCE DUE THE BALANCE DUE MAY BE PAID BY INSTALLMENT PAYMENTS USING THE GUIDELINES OF THE HOSPITAL POLICY ON COLLECTIONS OF PRIVATE PAY ACCOUNTS

Identifier	ReturnReference	Explanation
	PART V, SECTION B	NOT APPLICABLE

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 THE DEMAND ANALYSIS PERFORMED BEGINS WITH THE ASSUMPTION THE HISTORICAL TRENDS WILL BE CONTINUED BUT AUGMENTED BY INCREASED GROWTH IN INPATIENT AND OUTPATIENT SERVICES THE FOLLOWING ARE ELEMENTS OF PLANNING USED BY MANAGEMENT IN FORMULATING THE DEMAND FOR HOSPITAL SERVICES - MARKET ASSESSMENT OF OTHER HEALTHCARE PROVIDERS WITHIN THE SERVICE AREA- HISTORIC AND FORECASTED INPATIENT AND OUTPATIENT UTILIZATION WITH THE SERVICE AREA- MARKET SHARE BY SERVICE AND HOSPITAL USE RATES- SERVICE AREA USE RATES- HOSPITAL'S MEDICAL STAFF

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 CHARITY CARE DOCUMENTS AND EDUCATION ARE PROVIDED AT THE POINTS OF REGISTRATION (I E , ED AND OUTPATIENT) INFORMATION RELATED TO AVAILABILITY IS IDENTIFIED ON THE MONTHLY STATEMENTS THE PATIENT ACCOUNT REPRESENTATIVES-SELF PAY NOTIFY THE PATIENT/GUARANTOR DURING COLLECTION CALLS OF THE AVAILIBILITY OF FINANCIAL ASSISTANCE ONCE IT IS UPDATED THE ACTUAL APPLICATION WILL BE AVAILABLE ON THE WEBSITE

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 BEATRICE, NE IS LOCATED IN GAGE COUNTY IN THE SOUTHEASTERN PART OF NEBRASKA BEATRICE IS LOCATED 40 MILES SOUTH OF LINCOLN, NE THE CLOSEST HOSPITAL FACILITY IS 28 MILES WEST THE MAIN COMPETITION IS FROM TWO LINCOLN, NE HOSPITALS THE PRIMARY SERVICE ARES (PSA) HAS BEEN DEFINED AS BEATRICE/ZIP CODE 68310 COUNTY AND HAS AN AGING POPULATION THAT UTILIZES HOSPITAL HEALTH SERVICES THE AGE GROUP OF 65 AND OVER COMPRISES 20% OF THE TOTAL POPULATION OF THE PSA FOR THE HOSPITAL IN 2008 AND THAT AGE DEMOGRAPHIC IS PROJECTED TO INCREASE TO 21% IN THE NEXT TEN YEARS

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 BEATRICE COMMUNITY HOSPITAL BUDGETS ANNUALLY SALARY EXPENSES OF APPROXIMA TELY $90,000 FOR WELLNESS PROGRAMS TO BENEFIT THE HEALTH RELATED PROGRAMS SPONSORED BY THE HOSPITAL AND OTHER ORGANIZATIONS IN THE COMMUNITY ALONG WITH LOCAL BUSINESSES AND SERVIC E ORGANIZATIONS THE HOSPITAL SPONSORED THE HEALTH FAIR 10 DIFFERENT HEALTH SCREENS AND A WIDE VARIETY OF EDUCATIONAL BOOTHS WERE AVAILABLE TO THE PARTICIPANTS THE LABORATORY DEPA RTMENT OF THE HOSPITAL PROCESSES THE BLOOD CHEMISTRY TESTS FOR WHICH A MINIMAL FEE IS CHAR GED THE HOSPITAL PARTICIPATED IN THE PEOPLE CARING FOR PEOPLE PROGRAM WHICH PROVIDES AN IN - HOME ASSESSMENT AND EDUCATION TO EACH FAMILY AND NEWBORN THAT RESIDES IN GAGE COUNTY WITH THE INTENT OF EDUCATION AND REFERRAL TO APPROPRIATE COMMUNITY RESOURCES, IF NECESSARY TH E HOME VISITATION PROGRAM IS A VALUABLE TOOL IN PROMOTING POSITIVE PARENTING AND PREVENTIN G CHILD ABUSE THIS PROGRAM IS CARRIED OUT IN PARTNERSHIP WITH BLUE VALLEY COMMUNITY ACTIO N AND THE FAMILY RESOURCE CENTER A MONTHLY TEEN SUPPORT GROUP IS FACILITATED IN COOPERATI ON WITH MOTHER TO MOTHER MINISTRY PROGRAM MONTHLY, THE JUVENILE JUSTICE TEAM MEETING IS A TTENDED UROLOGISTS WHO WORK IN THE BEATRICE COMMUNITY HOSPITAL SPECIALTY CLINICS VOLUNTEER THEIR SERVICES AND THE HOSPITAL'S LABORATORY DEPARTMENT PROCESSES THE BLOOD TESTS FOR THE PROSTATE SCREENING CLINIC THE HOSPTIAL PROVIDED THE GAGE COUNTY IMMUNIZATION CLINIC FOR C HILDHOOD IMMUNIZATIONS THE CLINIC ROUTINELY MEETS THREE TIMES PER MONTH AND IS SUPPORTED BY VACCINES AND AN IAP GRANT PROVIDED BY THE STATE OF NEBRASKA IMMUNIZATION PROGRAM A PAR TNERSHIP OF BEATRICE COMMUNITY HOSPITAL, THE SALVATION ARMY AND THE BEATRICE COMMUNITY HOS PITAL FOUNDATION, ALONG WITH SERVICE ORGANIZATION DONATIONS, SPONSORED READY-SET- GO, AN AN NUAL BACK TO SHCOOL PROGRAM SOME OF THE ITEMS GIVEN AWAY INCLUDE BOOK BAG, SCHOOL SUPPLI ES, SHAMPOO, SOAP, SCHOOL PHYSICALS, HAIRCUT VOUCHERS, CLOTHING VOUCHERS, SHOE COUPONS, HE ALTH INFORMATION AND MORE FLU SHOT CLINICS WERE PROVIDED TO RESIDENTS OF GAGE COUNTY THE H OSPITAL GAVE AWAY BOTTLES OF WATER AT THE GAGE COUNTY FAIR AND THE HOMESTEAD DAY'S PARADE THE HOSPITAL SPONSORS AN INFORMATIONAL RADIO PROGRAM CALLED TO YOUR HEALTH HOSPITAL MANAGE MENT AND STAFF, ON BEHALF OF THE HOSPITAL, PROVIDED AT MINIMAL, OR NO COST, THE FOLLOWING HOSPITAL BASED SERVICES WHICH, WHEN LINKED WITH COMMUNITY BASED SERVICES, CONTRIBUTED TO H EALTH EDUCATION FOR THE COMMUNITY 1 THE WYMORE MEDICAL CLINIC PROVIDED SPORTS PHYSICALS FOR LOCAL HIGH SCHOOL ATHLETES AT A REDUCED CHARGE PHYSICALS WERE ALSO PROVIDED FOR PARTI CIPANTS IN THE SPECIAL OLYMPICS 2 THE PHYSICAL THERAPY DEPARTMENT SERVES AS A CLINICAL ED UCATION SITE FOR STUDENTS FROM THE UNIVERSITY OF NEBRASKA MEDICAL CENTER, WICHITA STATE UN IVERSITY,AND ROCKHURST UNIVERSITY STUDENTS ARE PROVIDED WITH AN EDUCATION EXPERIENCE INCL UDING PATIENT EVALUATIONS AND DEVELOPING TREATMENT PLANS THE PT DEPARTMENT ALSO PROVIDED SERVICES BEATRICE HIGH SCHOOL ATHLETES IN THE FORM OF EVALUATIONS, MODALITIES AND EXERCISE THE PT DEPARTMENT PARTICIPATED IN THE SCC CAREER FAIR PROVIDING GENERAL HEALTH INFORMATIO N 3 THE HUMAN RESOURCES DEPARTMENT COORDINATED JOB SHADOWING FOR SEVERAL STUDENTS IN VAR IOUS DEPARTMENTS 4 THE DIAGNOSTIC IMAGING STAFF PROVIDES DEPARTMENTAL TOURS FOR THE PUBL IC TOURS AND JOB SHADOWING EXPERIENCES FOR LOCAL HIGH SCHOOL STUDENTS WHO WISH TO PARTICI PATE IN A JOB EXPERIENCE IS PROVIDED AT NO CHARGE DIAGNOSTIC IMAGING HAS BECOME A CLINICA L SITE FOR STUDENTS TAKING CLASSES THROUGH SOUTHEAST COMMUNITY COLLEGE IN LINCOLN AND THE UNIVERSITY OF NEBRASKA MEDICAL CENTER WE ARE ALSO A SOLE CLINICAL SITE FOR STUDENTS THAT LIVE NEAR BEATRICE THAT ARE TAKING THE ONLINE RADIOGRAPHY PROGRAM THROUGH SOUTHEAST COMMUN ITY COLLEGE 5 EMERGENCY DEPARTMENT PROFESSIONAL STAFF HAS DEVELOPED VARIOUS PROGRAMS, WHI CH ARE OFFERED TO THE COMMUNITY IN THE AREAS OF DISASTER PLANNING, CARDIOVASCULAR DISEASE, EMERGENCY PREPAREDNESS AND MEDICAL TRAINING THE DEPARTMENT ALSO SERVES AS A CLINICAL TRA INING SITE FOR PHYSICIAN ASSISTANT STUDENTS FROM UNION COLLEGE, NURSING STUDENTS FROM A VA RIETY OF PROGRAMS, AND SOUTHEAST COMMUNITY COLLEGE PARAMEDIC, EMT-B AND EMT-I STUDENTS TH E GAGE COUNTY AMBULANCE SERVICES UTILIZES HOSPITAL STAFF TO TRAIN AND PROVIDE CLINICAL PRA CTICUM FOR THE EMT-I AND PARAMEDIC PROGRAM 6 THE HOSPITAL SPONSORS A 55PLUS PROGRAM IN C ONJUNCTION WITH BRYAN/LGH HEALTH SYSTEMS A PART-TIME COORDINATOR IS EMPLOYED BY THE HOSPI TAL THE COORDINATOR IS CALLED UPON TO SPEAK AT A VARIETY OF COMMUNITY CIVIC ORGANIZATIONS ABOUT THE 55PLUS PROGRAM THE COORDINATOR ARRANGES HEALTH RELATED SEMINARS, WHICH ARE PRE SENTED TO THE COMMUNITY THROUGHOUT THE YEAR PROGRAMS INCLUDED THE FOLLOWING SUBJECTS MED ICARE PART D COUNSELING, TREATING URINARY INCONTINENCE, WHAT TO DO FOR PAIN AND AARP DRIVE R EDUCATION 55PLUS SPONSORED 2 CHRISTMAS SOCIALS THE 55PLUS PROGRAM ALSO PROVIDES TWO CO MPLIMENTARY MEAL TICKETS FROM THE HOSPITAL CAFETER

Identifier	ReturnReference	Explanation
		IA TO THE MEMBERS WHO ARE HOSPITALIZED 7 THE SPEECH PATHOLOGY DEPARTMENT ASSISTED THE NUR SING CLASS AT SOUTHEAST COMMUNITY COLLEGE WITH GENERAL INSTRUCTION ON NEUROLOGY AND NEUROL OGICAL EVENTS THERAPIST PROVIDED INFORMATION REGARDING SWALLOWING AND COMMUNICATION DEFIC ITS ACQUIRED BY NEUROLOGICAL INVOLVEMENT 8 EMPLOYEES SERVED CANCER SURVIVOR SUPPER AT TH E ANNUAL RELAY FOR LIFE EVENT OTHER EMPLOYEES WORKED WITH THESE ORGANIZATIONS ON BEHALF OF BEATRICE COMMUNITY HOSPITAL AMERICAN CANCER SOCIETY, UNITED WAY, AMERICAN HEART ASSOCIAT ION, FAMILY RESOURCE CENTER, ALCOHOL, TOBACCO AND DRUG COUNCIL, BEATRICE MARY YMCA, ALZHEI MER'S ASSOCIATION, AMERICAN DIABETES ASSOCIATION, MOTHER TO MOTHER MINISTRY, SAFE SCHOOLS HEALTHY KIDS AND NUMEROUS OTHER PROFESSIONAL ORGANIZATIONS 9 THE OB NURSING STAFF CONDUCT S TOURS AND EDUCATIONAL SESSIONS TO HIGH SCHOOL CLASSES STUDYING THE AREA OF CHILDBIRTH AN D PARENTING TOURS ARE SCHEDULED 4-5 TIMES EACH YEAR REQUIRING ONE HOUR PER TOUR NURSING S TAFF WAS INVOLVED IN A COLLABORATIVE TASK FORCE TO PROVIDE SERVICES TO GAGE COUNTY RELATED TO CAR SEAT SAFETY 10 MEETING ROOMS WITHIN THE HOSPITAL AND PARKVIEW FACILITIES ARE PRO VIDED AT NO CHARGE TO NUMEROUS HEALTH RELATED ORGANIZATIONS, INCLUDING THE AMERICAN RED CR OSS, TOPS CLUB, STROKE CLUB, HOMESTEAD STRIDERS, DRUG AND ALCOHOL PROGRAMS, FOSTER CARE RE VIEW BOARD, PARENTS GRIEF SUPPORT GROUP, DIABETIC AND HEALTH TRAUMA SUPPORT GROUPS, CHILDR EN'S RIGHTS SUPPORT GROUP, GASTRIC BYPASS SUPPORT GROUP, CROHN'S DISEASE SUPPORT GROUP, SM OKING CESSATION, PLANNED APPROACH TO COMMUNITY HEALTH (PATCH) AND SUICIDE PREVENTION TASK FORCE 11 THE HOSPITAL PROVIDES A PART-TIME COORDINATOR FOR THE PLANNED APPROACH TO COMMUN ITY HEALTH (PATCH) PROGRAM THIS PROGRAM PROMOTES AND DEVELOPS ACTIVITIES TO ENHANCE COMMU NITY HEALTH, IMPROVEMENT IN SEDENTARY LIFESTYLES, SAFETY, NUTRITION, AND DRUG FREE A COMM UNITY TEAM MEETS MONTHLY ONE OF THE MANY WAYS THE GROUP PROMOTES ITS ACTIVITIES IS THROUG H A PATCH WEB SITE (WWW BEATRICENE COM/PATCH) THE COORDINATOR REPRESENTS THE HOSPITAL IN COLLABORATING WITH OTHER COMMUNITY ORGANIZATIONS 12 THE OCCUPATIONAL THERAPY DEPARTMENT P ROVIDED SOUTHEAST COMMUNITY COLLEGE NURSING STUDENTS WITH 8 HOURS OF INSTRUCTION ON OCCUPA TIONAL THERAPY AS WELL AS LECTURES 13 THE COMPLIANCE AND RISK MANAGEMENT OFFICER SERVES ON THE BOARD OF DIRECTORS FOR THE 5-COUNTY DISTRICT PUBLIC HEALTH DEPARTMENT NAMED SOLUTIO NS PUBLIC HEALTH 14 THE CARDIOPULMONARY DEPARTMENT OFFERED SMOKING CESSATION CLASSES TO T HOSE INTERESTED IN QUITTING SMOKING

Identifier	ReturnReference	Explanation
		PART VI, LINE 7 NOT APPLICABLE

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

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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
BEATRICE COMM HOSP & HEALTH CENTER INC

Employer identification number
47-0379834

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) BEATRICE RETIREMENT INC4800 HOSPITAL PARKWAY BEATRICE,NE 68310	47-0649975	501(C)(3)	245,209				CAPTIAL PROJECTS
(2) HEALTH SYSTEM OF BEATRICE INC4800 HOSPITAL PARKWAY BEATRICE,NE 68310	47-0691891	501(C)(3)	70,459				CAPITAL PROJECTS

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

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
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 SINCE THE RECIPIENTS OF THE GRANT MONEY ARE BEATRICE RETIREMENT, INC AND HEALTH SYSTEM OF BEATRICE, INC , RELATED ORGANIZATIONS, BEATRICE COMM HOSP & HEALTH CENTER, INC IS ABLE TO MONITOR THE USE OF THE GRANTS FUNDS

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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
BEATRICE COMM HOSP & HEALTH CENTER INC

Employer identification number
47-0379834

Part I Questions Regarding Compensation

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

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) BRETT STUDLEY MD	(i)	300,223	1,312	0	14,700	21,803	338,038	0
	(ii)	0	0	0	0	0	0	0
(2) DARIN HOFFMAN MD	(i)	236,459	34,794	0	0	21,800	293,053	0
	(ii)	0	0	0	0	0	0	0
(3) THOMAS SUMMERS	(i)	303,441	0	0	14,700	17,839	335,980	0
	(ii)	0	0	0	0	0	0	0
(4) JON MCMILLAN	(i)	171,293	0	0	0	8,103	179,396	0
	(ii)	0	0	0	0	0	0	0
(5) AMANDA MCKINNEY	(i)	311,090	0	0	14,700	21,897	347,687	0
	(ii)	0	0	0	0	0	0	0
(6) MICHAEL HAVEKOST	(i)	255,246	45,654	0	14,700	21,800	337,400	0
	(ii)	0	0	0	0	0	0	0
(7) DEBORAH GREGORY	(i)	289,456	0	0	14,700	22,003	326,159	0
	(ii)	0	0	0	0	0	0	0
(8) ERIC RIDDLE	(i)	284,899	0	0	14,700	21,803	321,402	0
	(ii)	0	0	0	0	0	0	0
(9) CHRISTOPHER HALL	(i)	281,590	0	0	14,700	21,803	318,093	0
	(ii)	0	0	0	0	0	0	0
(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

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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
BEATRICE COMM HOSP & HEALTH CENTER INC

Employer identification number
47-0379834

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	HOSPITAL AUTHORITY NO 1 OF GAGE COUNTY NEBRASKA	47-0785499	362615AH9	06-08-2010	15,000,000	REFUND PRIOR ISSUE 12/23/09		X		X		X
B	HOSPITAL AUTHORITY NO 1 OF GAGE COUNTY NEBRASKA	47-0785499	362615AL0	06-24-2010	30,000,000	CONSTRUCTION PROJECT		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	15,000,000	30,136,871		
4	Gross proceeds in reserve funds	1,620,819	2,227,695		
5	Capitalized interest from proceeds	1,844,513	1,844,513		
6	Proceeds in refunding escrow				
7	Issuance costs from proceeds				
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	20,600,465	20,600,465		
11	Other spent proceeds	15,000,000			
12	Other unspent proceeds	7,691,893	7,691,893		
13	Year of substantial completion	2012	2012		

		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				
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?	X			X				
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	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				
2	Are there any lease arrangements that may result in private business use of bond-financed property?		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				
b	Are there any research agreements that may result in private business use of bond-financed property?		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					
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 ▶								
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 ▶								
6	Total of lines 4 and 5								
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	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				
2	Is the bond issue a variable rate issue?		X		X				
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		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				
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X		X				
6	Did the bond issue qualify for an exception to rebate?	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
PART II, LINE 3		THE TOTAL PROCEEDS DO NOT AGREE TO THE ISSUE PRICE IN PART I, COLUMN (E) DUE TO INVESTMENT EARNINGS
PART II, LINE 3		THE TOTAL PROCEEDS DO NOT EQUAL THE SUMMATION OF LINES 4 - 12 DUE TO TRANSFERRED OR REPLACEMENT PROCEEDS IN LINE 4

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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
BEATRICE COMM HOSP & HEALTH CENTER INC

Employer identification number
47-0379834

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
(1) BRETT STUDLEY MD COMPENSATION AGREEMENT		X	89,250	31,981		No	Yes		Yes	
(2) DARIN HOFFMAN MD COMPENSATION AGREEMENT		X	60,000	0		No	Yes		Yes	
(3) AMANDA MCKINNEY MD COMPENSATION AGREEMENT		X	90,000	0		No	Yes		Yes	
(4) CHRISTOPHER HALL MD COMPENSATION AGREEMENT		X	40,000	8,111		No	Yes		Yes	
(5) DEBORAH GREGORY DO COMPENSATION AGREEMENT		X	90,000	0		No	Yes		Yes	
(6) ERIC RIDDLE MD COMPENSATION AGREEMENT		X	40,000	13,998		No	Yes		Yes	
Total . . . . . ▶ $				54,090						

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) COLLEEN DEINES	COLLEEN DEINES IS MITCHELL DEINES WIFE, MITCHELL DEINES IS A BOARD MEMBER	34,958	COLLEEN DEINES IS EMPLOYED BY BEATRICE COMMUNITY HOSPITAL AND HEALTH CENTER, INC		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

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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
BEATRICE COMM HOSP & HEALTH CENTER INC

Employer identification number
47-0379834

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE FINANCE COMMITTEE RECEIVED A COPY OF THE FORM 990 FOR THEIR REVIEW VIA E-MAIL THEY WERE INSTRUCTED TO REVIEW THE FORM 990 AND SUBMIT ANY QUESTIONS OR COMMENTS TO THE CFO THE CFO COMMUNICATED THE QUESTIONS AND COMMENTS TO THE ACCOUNTING FIRM PREPARING THE FORM 990 ALL QUESTIONS AND COMMENTS WERE RESOLVED PRIOR TO THE SUBMISSION OF THE FORM 990 TO THE IRS EACH BOARD OF DIRECTOR RECEIVED A COPY OF THE FORM 990 PRIOR TO SUBMISSION TO THE IRS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	EVERY BOARD MEMBER, ADMINISTRATIVE EMPLOYEE, AND DEPARTMENT MANAGER IS REQUIRED TO FILL OUT A NEW CONFLICT OF INTEREST FORM DURING THE FIRST QUARTER OF THE YEAR THESE ARE KEPT ON FILE WITH THE COMPLIANCE & RISK MANAGEMENT OFFICER

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	LISTED BELOW IS INFORMATION FROM OUR POLICY ON WAGE AND SALARY ADMINISTRATION THIS POLICY APPLIES TO ALL EMPLOYEES EXCEPT EXECUTIVE LEVEL STAFF AND THOSE WITH WRITTEN CONTRACTS (PHYSICIANS, ALLIED HEALTH STAFF, ETC ,) AN OUTSIDE CONSULTING FIRM MAKES COMPENSATION RECOMMENDATIONS TO THE BOARD OF DIRECTORS BASED UPON MARKET DATA FOR THE POSITION A STRUCTURE OF THE WAGE AND SALARY PLAN 1 PAY GRADES AND WAGE SCALES/RANGES ARE ESTABLISHED TO REWARD EMPLOYEES FOR DIFFERENT LEVELS OF SKILLS, RESPONSIBILITY, AND KNOWLEDGE JOB POSITIONS ARE ASSIGNED A PAY GRADE BASED UPON MARKET CONDITIONS, SKILLS, RESPONSIBILITY, EDUCATION EXPERIENCE, PHYSICAL DEMANDS, AND WORKING CONDITIONS REQUIRED OF THE POSITION EACH PAY GRADE HAS A RANGE OF PAY FROM MINIMUM TO MAXIMUM, ESTABLISHED TO REWARD EMPLOYEES FOR EXPERIENCE AND PERFORMANCE B ADJUSTMENTS TO THE WAGE AND SALARY PLAN 1 THE WAGE PLAN IS REVIEWED AT LEAST ANNUALLY TO ENSURE COMPETITIVE SALARIES FOR ALL POSITIONS LABOR MARKET SURVEYS ARE COMPLETED AND UTILIZED ON A REGULAR BASIS BASED UPON MARKET INFORMATION AND/OR A REVIEW OF JOB DESCRIPTIONS, ADJUSTMENTS MAY BE MADE TO THE WAGE AND SALARY PLAN THAT INCLUDE ADJUSTMENTS TO THE OVERALL WAGE AND SALARY STRUCTURE, OR REPOSITIONING OF A SPECIFIC JOB POSITION(S) TO A DIFFERENT PAY GRADE FOR THE CEO POSITION THAT IS CURRENTLY HELD BY TOM SOMMERS, THE BOARD CHAIR WORKS WITH A CONSULTING COMPANY, IH STRATEGIES, TO DETERMINE THE APPROPRIATE COMPENSATION THIS INFORMATION IS APPROVED BY THE EXECUTIVE COMMITTEE OF THE HOSPITAL BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST

Identifier	Return Reference	Explanation
	FORM 990, PARK VII, LINE 1A	JOHN RYPMA, CHAIRMAN, DEVOTED AN AVERAGE OF 1 0 HOURS PER WEEK TO BEATRICE RETIREMENT, INC AS A BOARD MEMBER HE ALSO SERVES AS A BOARD MEMBER OF THE HEALTH SYSTEM OF BEATRICE, INC MITCHELL DEINES, VICE CHAIRMAN, DEVOTED AN AVERAGE OF 1 0 HOURS PER WEEK TO BEATRICE COMMUNITY HOSPITAL FOUNDATION, INC AS VICE PRESIDENT JAMES ENSZ, SECRETARY, DEVOTED AN AVERAGE OF 1 0 HOURS PER WEEK TO BEATRICE RETIREMENT, INC AS CHAIRMAN HE ALSO SERVES AS A BOARD MEMBER OF THE HEALTH SYSTEM OF BEATRICE, INC ROLAND PENNER, TREASURER, DEVOTED AN AVERAGE OF 1 0 HOURS PER WEEK TO BEATRICE COMMUNITY HOSPITAL FOUNDATION, INC AS A BOARD MEMBER JAMES BAUER, MEMBER, DEVOTED AN AVERAGE OF 1 0 HOURS PER WEEK TO BEATRICE RETIREMENT, INC AS A BOARD MEMBER DARIN HOFFMAN, MD, MEMBER, SERVED AS A BOARD MEMBER OF THE HEALTH SYSTEM OF BEATRICE, INC THOMAS SOMMERS, CEO, DEVOTED AN AVERAGE OF 1 0 HOURS PER WEEK TO BEATRICE RETIREMENT, INC AS CEO HE ALSO DEVOTED AN AVERAGE OF 1 0 HOURS PER WEEK TO BEATRICE COMMUNITY HOSPITAL FOUNDATION, INC AS CEO JON MCMILLAN, CFO, DEVOTED AN AVERAGE OF 1 0 HOURS PER WEEK TO BEATRICE RETIREMENT, INC AS CFO HE ALSO DEVOTED AN AVERAGE OF 1 0 HOURS PER WEEK TO BEATRICE COMMUNITY HOSPITAL FOUNDATION, INC AS CFO

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 4,073

Identifier	Return Reference	Explanation
	FORM 990, PART XI, LINE 2C	THERE HAVE BEEN NO CHANGES FROM THE PRIOR YEAR THE FINANCE COMMITTEE OF THE BOARD OF DIRECTORS SELECTS THE INDEPENDENT ACCOUNTANT AND HAS THE RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT UPON COMPLETION OF THE AUDIT, THE AUDITING FIRM PRESENTS THE RESULTS AND FINDINGS TO THE FINANCE COMMITTEE.

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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
BEATRICE COMM HOSP & HEALTH CENTER INC

Employer identification number
47-0379834

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) BEATRICE COMMUNITY HOSPITAL FOUNDATION INC 4800 HOSPITAL PARKWAY BEATRICE, NE 68310 47-6024984	TO SUPPORT BEATRICE COMMUNITY HOSPITAL AND ITS AFFILIATES	NE	501(C)(3)	11C	N/A		No
(2) HEALTH SYSTEM OF BEATRICE INC 4800 HOSPITAL PARKWAY BEATRICE, NE 68310 47-0691891	TO SUPPORT BEATRICE COMMUNITY HOSPITAL AND ITS AFFILIATES	NE	501(C)(3)	11C	N/A		No
(3) BEATRICE RETIREMENT INC 2211 SUNSET DRIVE BEATRICE, NE 68310 47-0649975	ASSISTED LIVING FACILITIES FOR THE ELDERLY/RETIRED	NE	501(C)(3)	9	N/A		No

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

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

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

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

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

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

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

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

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

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

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

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

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

Beatrice Community Hospital and Health Center, Inc.

Beatrice, Nebraska

Financial Statements
September 30, 2011 and 2010

Together with Independent Auditor's Report

Beatrice Community Hospital and Health Center, Inc.

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SEIM JOHNSON

Independent Auditor's Report

To the Board of Directors of
Beatrice Community Hospital
and Health Center, Inc
Beatrice, Nebraska

We have audited the accompanying balance sheets of Beatrice Community Hospital and Health Center, Inc (a Nebraska corporation, not for profit) as of September 30, 2011 and 2010, and the related statements of operations, changes in net assets and cash flows for the years then ended These financial statements are the responsibility of the Hospital's management Our responsibility is to express an opinion on these financial statements based on our audits

We conducted our audits in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation We believe that our audits provide a reasonable basis for our opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Beatrice Community Hospital and Health Center, Inc as of September 30, 2011 and 2010, and the results of its operations, changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

Omaha, Nebraska,
March 14, 2012

Beatrice Community Hospital and Health Center, Inc.

Balance Sheets
September 30, 2011 and 2010

	2011	2010
ASSETS		
Current assets		
Cash and cash equivalents	$ 6,839,941	4,211,214
Short-term investments	973,486	973,381
Current portion of assets limited as to use	5,769,502	1,200,483
Receivables -		
Patients, net of allowance for doubtful accounts of $5,797,469 in 2011 and $5,637,821 in 2010	6,091,709	6,667,236
Other	788,328	872,061
Inventories	1,291,742	1,492,601
Prepaid expenses	429,564	347,324
Estimated third-party payor settlements	357,011	1,126,947
Total current assets	22,541,283	16,891,247
Assets limited as to use, net of amount required to meet current obligations	19,208,737	50,865,242
Property and equipment, net	46,350,801	13,849,011
Other assets, net	1,268,836	1,463,556
Total assets	$ 89,369,657	83,069,056
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of long-term debt	$ 1,010,000	--
Accounts payable -		
Trade	681,738	906,234
Construction and equipment	3,942,654	176,841
Accrued salaries, vacation, and payroll taxes payable	3,038,389	2,732,757
Accrued interest payable	880,013	746,175
Other accrued expenses	487,736	514,213
Total current liabilities	10,040,530	5,076,220
Long-term debt, net of current portion	43,990,000	45,000,000
Total liabilities	54,030,530	50,076,220
Commitments and contingencies		
Net assets - unrestricted	35,339,127	32,992,836
Total liabilities and net assets	$ 89,369,657	83,069,056

See notes to financial statements

Beatrice Community Hospital and Health Center, Inc.

Statements of Operations
For the Years Ended September 30, 2011 and 2010

	2011	2010
UNRESTRICTED REVENUE		
Net patient service revenue	$ 39,422,892	39,568,225
Other revenue	1,120,172	1,152,200
Gain (loss) on disposal of property and equipment	1,400	(22,378)
Net assets released from restriction for operations	--	11,420
Total revenue	40,544,464	40,709,467
EXPENSES		
Salaries and wages	18,065,942	17,221,439
Employee health and welfare	4,212,933	4,233,157
Professional fees and purchased services	2,518,228	3,159,555
Supplies and other	9,304,489	9,144,317
Depreciation and amortization	2,098,438	2,481,571
Insurance	426,940	497,436
Provision for bad debts	1,473,915	1,237,764
Interest	--	21,866
Total expenses	38,100,885	37,997,105
OPERATING INCOME	2,443,579	2,712,362
NONOPERATING GAINS,		
Investment income	218,380	228,635
NET REVENUE FROM CONTINUING OPERATIONS	2,661,959	2,940,997
DISCONTINUED OPERATIONS (Note 9)		
Loss from operations of discontinued component	--	(1,406,800)
TRANSFERS (TO) FROM AFFILIATES	(315,668)	1,000,000
INCREASE IN UNRESTRICTED NET ASSETS	$ 2,346,291	2,534,197

See notes to financial statements

Beatrice Community Hospital and Health Center, Inc.

Statements of Changes in Net Assets
For the Years Ended September 30, 2011 and 2010

		2011	2010
UNRESTRICTED NET ASSETS			
Operating gain	$	2,443,579	2,712,362
Nonoperating gains		218,380	228,635
Loss from discontinued operations		--	(1,406,800)
Transfers (to) from affiliates		(315,668)	1,000,000
Increase in unrestricted net assets		2,346,291	2,534,197
TEMPORARILY RESTRICTED NET ASSETS			
Temporarily restricted contributions		--	7,142
Net assets released from restrictions used for operations		--	(11,420)
Decrease in temporarily restricted net assets		--	(4,278)
INCREASE IN NET ASSETS		2,346,291	2,529,919
NET ASSETS, beginning of year		32,992,836	30,462,917
NET ASSETS, end of year	$	35,339,127	32,992,836

See notes to financial statements

Beatrice Community Hospital and Health Center, Inc.

Statements of Cash Flows
For the Years Ended September 30, 2011 and 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from patients and third party payors	$ 39,294,440	36,161,514
Cash received from others	1,280,703	1,110,001
Cash paid to employees and related benefits	(21,978,321)	(22,689,386)
Cash paid to suppliers	(12,148,342)	(12,892,398)
Interest paid	--	(206,120)
Investment income received	220,629	229,606
Net cash provided by operating activities	6,669,109	1,713,217
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment, net	(659,802)	(1,006,118)
Purchase of replacement facility property and equipment	(30,152,293)	(4,793,015)
Withdrawals from (deposits to) short-term investments	(105)	3,397,572
Purchase of assets limited as to use	(2,147,142)	(46,658,269)
Withdrawals from assets limited as to use	29,234,628	7,166,528
Net cash used in investing activities	(3,724,714)	(41,893,302)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt	--	(5,240,000)
Payments on interim financing	--	(15,000,000)
Proceeds from issuance of long-term debt	--	45,000,000
Proceeds from interim financing	--	15,000,000
Payment of deferred financing costs	--	(851,732)
Proceeds from temporarily restricted contributions	--	7,142
Transfers (to) from affiliates	(315,668)	1,000,000
Net cash provided by (used in) financing activities	(315,668)	39,915,410
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,628,727	(264,675)
CASH AND CASH EQUIVALENTS - Beginning of year	4,211,214	4,475,889
CASH AND CASH EQUIVALENTS - End of year	$ 6,839,941	4,211,214
SUPPLEMENTARY DISCLOSURE OF CASH FLOWS INFORMATION		
Land donation	$ 152,246	--

See notes to financial statements

Beatrice Community Hospital and Health Center, Inc.

Statements of Cash Flows (Continued)
For the Years Ended September 30, 2011 and 2010

		2011	2010
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Increase in net assets	$	2,346,291	2,529,919
Adjustments to reconcile the change in net assets to net cash provided by operating activities			
Depreciation and amortization		2,099,335	2,482,468
Depreciation included with discontinued operations		--	16,626
(Increase) decrease in other assets		154,495	(5,246)
(Gain) loss on disposal of property and equipment		(1,400)	22,378
Non cash contribution of land		152,246	--
Temporarily restricted contributions		--	(7,142)
Transfers to (from) affiliates		315,668	(1,000,000)
(Increase) decrease in current assets -			
Receivables -			
Patients		575,527	(1,411,280)
Other		83,733	(62,166)
Inventories		200,859	(149,606)
Prepaid expenses		(82,240)	178,075
Estimated third-party payor settlements		769,936	(900,888)
Increase (decrease) in current liabilities			
Accounts payable		(224,496)	261,688
Accrued salaries, vacation, and payroll taxes payable		305,632	(8,031)
Accrued interest payable		--	(184,254)
Other accrued expenses		(26,477)	(49,324)
Net cash provided by operating activities	$	6,669,109	1,713,217

See notes to financial statements

(1) Summary of Significant Accounting Policies

The following is a summary of significant accounting policies of Beatrice Community Hospital and Health Center, Inc (Hospital) These policies are in accordance with accounting principles generally accepted in the United States of America

A Organization

The Hospital (a Nebraska corporation, not-for-profit) operates a 25-bed Critical Access Hospital The Hospital also offers physician clinic, home health, hospice, and until April 2010 long-term care services

Health System of Beatrice, Inc is the corporate sponsor of Beatrice Community Hospital and Health Center, Inc , Beatrice Community Hospital Foundation, Inc , Homestead Village, Inc , Parkview Village, Inc , and Beatrice Retirement, Inc (all non-profit Nebraska corporations), and owns all of Physicians Building, Inc (a for-profit corporation) The Foundation's primary purpose is to solicit contributions for the benefit of the Hospital Homestead Village and Parkview Village own and operate apartment projects for the elderly which are subsidized by the United States Department of Housing and Urban Development Beatrice Retirement, Inc owns and operates a 45 unit congregate living facility for the elderly Physicians Building, Inc is organized to own and maintain property for the furtherance of healthcare providers

The Budget Reconciliation Act of 1997 (Act) contained many provisions impacting Medicare reimbursement for the Hospital The Act established the Medicare Rural Hospital Flexibility Program to assist states and rural communities to improve access to essential health care services through critical access hospitals and rural health networks

During fiscal year 2006, the Hospital's Board of Directors approved the Hospital's plan to obtain Critical Access Hospital (CAH) designation CAH's are acute care facilities that provide emergency, outpatient and short-term inpatient services Medicare reimburses CAH's on a reasonable cost basis The Hospital's application to become certified as a CAH was approved by Nebraska Health and Human Services Hospital and the certification was effective December 1, 2005

B Industry Environment

The health care industry is subject to numerous laws and regulations of federal, state and local governments These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursements for patient services, and Medicare and Medicaid fraud and abuse Government activity has increased with respect to investigations and allegations by healthcare providers Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed

Management believes that the Hospital is in substantial compliance with applicable government laws and regulations as they apply to the areas of fraud and abuse While no regulatory inquiries have been made, compliance with such laws and regulations are subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time

As a result of recently enacted federal healthcare reform legislation, substantial changes are anticipated in the United States healthcare system Such legislation includes numerous provisions affecting the delivery of healthcare services, the financing of healthcare costs, reimbursement of healthcare providers and the legal obligations of health insurers, providers and employers These provisions are currently slated to take effect at specified times over approximately the next decade

C *Use of Estimates*

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates

D *Cash and Cash Equivalents*

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less, excluding amounts whose use is limited by board designation or other arrangements under bond indenture agreements

E *Patient Receivables, Net*

Net patient receivables consist of uncollateralized patient and third-party obligations reduced by a valuation allowance for doubtful accounts and contractual adjustments from third party payors The allowances reflect management's estimate of amounts that will not be collected in the future and are based on reviews of patient balances by payor classes Percentages are applied to each of the payor class based on contractual agreements, historical collection and recovery information to determine the net realizable value of the patient receivables

Payment for services is expected within thirty days of receipt of billing Accounts considered past due are pursed in-house for approximately 60 days from the date of first billing and then are sent to a collection agency Any amounts deemed uncollectible are written off on a monthly basis The Hospital does not charge interest on outstanding balances owed

The Hospital also maintains a charity care policy as described in Note 2

F *Assets Limited as to Use*

Assets limited as to use include the following

By Board - Assets set aside by the Board of Directors for future capital improvements, future expansion and health insurance claims, over which the Board retains control and may, at its discretion, subsequently use for other purposes These investments consist primarily of certificates of deposit and money market mutual funds

By Bond Trustee - Assets set aside in accordance with terms of the various revenue bond agreements This includes the bond, capitalized interest, construction and acquisition and debt service funds These investments consist of debt securities, held in government sponsored debt securities and municipal bonds, and money market mutual funds

Construction and Acquisition Fund – To hold bond proceeds to pay for construction costs of the facility replacement project

Capitalized Interest Fund – To provide for payment of interest on the bonds during construction of the project

Debt Service Reserve Fund – To provide an amount equal to the maximum debt requirement for any future year on all bonds outstanding

Bond Fund – To provide for payment of principal and interest on the bonds

Amounts required to meet current liabilities of the Hospital have been reclassified in the balance sheets

G *Investments*

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheets Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in net revenue from continuing operations unless the income or loss is restricted by donor or law

H *Inventory*

Inventory is stated at the lower of cost (first-in, first-out method) or market

I *Property and Equipment, Net*

Property and equipment acquisitions are recorded at cost All acquisitions of capital assets over $5,000 are capitalized Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method based upon useful lives set forth using general guidelines from the American Hospital Association Guide for Estimated Useful Lives of Depreciable Hospital Assets

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

J *Other Assets*

Other assets include the Hospital's interest in joint ventures, property held for future expansion and unamortized bond financing costs, relating to the Hospital Revenue Refunding and Revenue Bonds, Series 2010A and 2010B The bond financing costs are being amortized over the life of the related bonds using the effective interest method

K *Temporarily Restricted Net Assets*

Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time period or purpose

L *Net Patient Service Revenue*

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates Payment arrangements include reimbursed costs, discounted charges, and per diem payments

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined

M *Group Health Insurance Costs*

The Hospital is self-insured under its employee group health program, up to certain limits Included in the accompanying statements of operations is a provision for premiums for excess coverage and payments for claims including estimates of the ultimate costs for both reported claims and claims incurred but not yet reported at year-end

N *Charity Care*

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue

O *Donor-Restricted Gifts*

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

P *Tax Exempt Status and Income Taxes*

The Hospital is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code The Internal Revenue Service has established standards to be met to maintain tax exempt status In general, such standards require the Hospital to meet a community benefit standard and comply with various laws and regulations

The Hospital accounts for uncertainties in accounting for income tax assets and liabilities using guidance included in FASB ASC 740, *Income Taxes* The Hospital recognizes the effect of income tax positions only if those positions are more likely than not of being sustained At September 30, 2011 and 2010, the Hospital had no uncertain tax positions accrued With few exceptions, the Hospital is no longer subject to income tax examinations by the U S federal, state or local tax authorities for years before 2007

Q *Net Revenue*

The statements of operations include net revenue Changes in unrestricted net assets which are excluded from net revenue, consistent with industry practice, include permanent transfers of assets to and from affiliates for other than goods and services and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets)

R *Fair Value of Financial Statements*

The Hospital applies the provisions included in FASB ASC 820 for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date At September 30, 2011 and 2010, there were no nonfinancial assets or liabilities measured at fair value in the financial statements on the nonrecurring basis

The carrying amounts of all financial instruments approximate estimated fair value Cash and cash equivalents, receivables and current liabilities are reasonable estimates of their fair values due to their short term nature Investments and assets limited as to use are stated at fair value as discussed in Note 4 The carrying value of long-term debt approximates fair value since the interest rates closely reflect current market rates

S Subsequent Events

The Hospital considered events occurring through March 14, 2012 for recognition or disclosure in the financial statements as subsequent events That date is the date the financial statements were available to be issued

(2) Charity Care

The Hospital maintains records to identify and monitor the level of charity care it provides These records include the amount of charges foregone for services and supplies furnished under its charity care policy The Hospital recorded a provision of $1,368,508 and $873,960 in 2011 and 2010, respectively, relating to these services

The Hospital is dedicated to providing comprehensive healthcare services to all segments of society, including the aged and otherwise economically disadvantaged In addition, the Hospital provides a variety of community health services at or below cost

(3) Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates A summary of the payment arrangements with major third-party payors follows

Medicare. All inpatient acute care and swing-bed services rendered to Medicare program beneficiaries in a Critical Access Hospital are paid based on Medicare defined costs of providing the services Inpatient nonacute services and certain outpatient services related to Medicare beneficiaries are paid based on a cost reimbursement methodology

Homecare services are paid at prospectively determined rates per episode of care Physician clinic services provided to Medicare beneficiaries are paid on fee schedule amounts unless provided in a rural health clinic setting Rural health clinic services are reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare Administrative Contractor

The Hospital's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the Hospital The Hospital's Medicare cost reports have been audited by the Medicare Administrative Contractor through September 30, 2009

Medicaid. All inpatient acute services and outpatient services rendered to Medicaid program beneficiaries in a Critical Access Hospital are paid based on Medicaid defined costs of providing the services

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

Revenue from the Medicare and Medicaid programs accounted for approximately 39% and 10% respectively, of the Hospital's net patient revenue for the year ended 2011, and 40% and 9% respectively, of the Hospital's net patient revenue for the year ended 2010 Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term

The Hospital reports net patient service revenue at estimated net realizable amounts from patients, third-party payors, and others for services rendered and includes estimated retroactive revenue adjustments due

to future audits, reviews, and investigations Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations

The following illustrates the Hospital's service revenue at its established rates and revenue deductions by major third-party payors

		2011	2010
Gross patient service revenue			
Hospital -			
Inpatient	$	13,281,602	13,392,124
Outpatient		45,478,995	44,267,464
Total Hospital		58,760,597	57,659,588
Home health		1,336,461	1,454,693
Hospice		805,975	509,230
Physician clinics		2,768,741	2,312,235
		63,671,774	61,935,746
Deductions from service revenue			
Medicare		15,386,733	14,110,268
Medicaid		3,107,093	2,891,281
Other payors		3,503,548	3,769,100
Physician clinics		883,000	722,912
Charity care		1,368,508	873,960
		24,248,882	22,367,521
Net patient service revenue	$	39,422,892	39,568,225

(4) Fair Value

Fair Value Hierarchy

The Hospital has adopted FASB ASC 820 for fair value measurements of financial assets and financial liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis FASB ASC 820 establishes 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 the fair value hierarchy are as follows

Level 1 Inputs – Inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date

Level 2 Inputs – Inputs are other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly through either corroboration or observable market data

Level 3 Inputs – Inputs are unobservable for the asset or liability Therefore, unobservable inputs shall reflect the entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk) developed based on the best information available in the circumstances

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

The following methods and assumptions were used to estimate the fair value for each class of financial instrument measured at fair value

Cash and cash equivalents – The fair value of cash and cash equivalents, consisting primarily of deposit accounts and accrued interest, is classified as Level 1 as these funds are valued using quoted market prices

Certificates of deposit – Investments in certificates of deposit are classified as Level 2 based on multiple sources of information, which may include market data and/or quoted market prices from either markets that are not active or are for the same or similar assets of active markets

Fixed income securities – Investments in fixed income securities are comprised of government sponsored debt securities and municipal bonds Fixed income securities are classified as Level 2 based on multiple sources of information, which may include market data and/or quoted market prices from either markets that are not active or are for the same or similar assets in active markets

Mutual funds – The fair value of mutual funds is classified as Level 1 as the market value is based on quoted market prices, when available, or market prices provided by recognized broker dealers

For the fiscal years ended September 30, 2011 and 2010, the application of valuation techniques applied to similar assets and liabilities has been consistent

The following table presents the financial instruments that are measured at fair value on a recurring basis (including items that are required to be measured at fair value) at September 30, 2011 and 2010

	September 30, 2011			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 5,511,480	--	--	5,511,480
Certificates of deposit	--	2,731,081	--	2,731,081
Fixed income securities -				
Government sponsored debt securities	--	10,546,196	--	10,546,196
Municipal bonds	--	4,075,000	--	4,075,000
Mutual funds - money market	3,087,968	--	--	3,087,968
	$ 8,599,448	17,352,277	--	25,951,725

	September 30, 2010			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 3,322,711	--	--	3,322,711
Certificates of deposit	--	2,769,563	--	2,769,563
Fixed income securities -				
Government sponsored debt securities	--	25,733,824	--	25,733,824
Municipal bonds	--	16,505,000	--	16,505,000
Mutual funds - money market	4,708,008	--	--	4,708,008
	$ 8,030,719	45,008,387	--	53,039,106

The Hospital's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer There were no transfers into or out of Level 1 or Level 2 for the years ended September 30, 2011 and 2010

(5) Assets Limited as to Use

Investments, including assets limited as to use, are presented in the financial statements at fair value The composition of investments, including assets limited as to use, at September 30, 2011 and 2010, is as follows

	2011	2010
Short-term investments	$ 973,486	973,381
Assets limited as to use for current obligations	5,769,502	1,200,483
	6,742,988	2,173,864
Assets limited as to use		
Board designated		
For capital improvements and future expansion	8,179,518	6,367,874
For health insurance claims	1,232,649	893,875
Held by Trustee under bond indenture agreements		
Construction and Acquisition Fund	10,462,502	37,959,920
Capitalized Interest Fund	443,716	2,396,652
Debt Service Reserve Fund	3,731,030	3,701,229
Bond Fund	928,824	746,175
	24,978,239	52,065,725
Less amount required for current obligations	(5,769,502)	(1,200,483)
Assets limited as to use, net of current portion	19,208,737	50,865,242
Total	$ 25,951,725	53,039,106

Investment income reported in the statement of operations is comprised of the following for the years ending September 30, 2011 and 2010

	2011	2010
Interest and dividend income and realized gains and losses	$ 98,894	122,474
Change in unrealized gains (losses) on other than trading securities, net	4,073	(5,994)
Income from VHA investment	115,413	112,155
Total investment income	$ 218,380	228,635

(6) Property and Equipment

Property and equipment as of September 30, 2011 and 2010 is summarized as follows

	2011	2010
Land and land improvements	$ 1,255,009	1,255,009
Buildings and building service equipment	12,762,324	12,730,959
Equipment and furnishings	14,726,883	14,150,971
Construction work in process	40,078,067	6,085,115
	60,822,283	34,222,054
Less - accumulated depreciation	22,471,482	20,373,043
	$ 46,350,801	13,849,011

Depreciation expense of $2,098,438 and $2,352,990 in 2011 and 2010, respectively, is included in the accompanying statements of operations

The Hospital is in the process of constructing a replacement facility (Project) The Project's cost is estimated at $50,000,000 and has a completion date of February 2012 The Project is financed through the issuance of tax-exempt bonds in the amount of $45,000,000 (Note 8) and the use of board designated investments Costs associated with the Project are included in construction work in process

(7) Other Assets, Net

Other assets as of September 30, 2011 and 2010 are summarized as follows

	2011	2010
Deferred bond issuance costs, net	$ 812,404	851,732
Property held for future expansion, net	273,359	426,502
Investments in VHA ventures	183,073	183,073
Other	--	2,249
	$ 1,268,836	1,463,556

Deferred bond issuance costs are being amortized over the life of the related bonds using the effective interest method Amortization expense relating to redeemed bond issuance costs of $128,581 in 2010 is included in the accompanying statements of operations In 2011, under the effective interest method, $39,328 in amortization of the Series 2010A and 2010B bond issuance costs has been capitalized as the obligated capital has not been placed into service

Depreciation expense on property held for future expansion of $897 in 2011 and 2010 is included in the accompanying statements of operations

(8) Long-Term Debt

A summary of long-term debt at September 30, 2011 and 2010 follows

	2011	2010
Series 2010A Revenue Refunding Bonds, interest ranging from 2 50% to 4 75%, due on June 1 and December 1, principal maturing in varying annual amounts or payments to sinking fund due in accordance with mandatory redemption requirements in varying annual amounts, final maturity due June 1, 2023	$ 15,000,000	15,000,000
Series 2010B Revenue Bonds, interest ranging from 6 00% to 6 75%, due on June 1 and December 1, principal maturing in varying annual amounts or payments to sinking fund due in accordance with mandatory redemption requirements in varying annual amounts, final maturity due June 1, 2035	30,000,000	30,000,000
	45,000,000	45,000,000
Less current portion	1,010,000	--
Long-term debt, net of current portion	$ 43,990,000	45,000,000

On December 1, 2009, $15,000,000 of tax-exempt Interim Financing Bonds were issued by Hospital Authority No 1 of Gage County, Nebraska (Issuer) pursuant to a Trust Indenture between the Issuer and Wells Fargo Bank National Association, of Lincoln, Nebraska (Trustee) The proceeds of the Series 2009 Bonds were loaned to the Hospital to pay a portion of the cost of constructing a new hospital facility and acquiring furniture, fixtures, equipment and apparatus for said new hospital facility The Series 2009 Bonds were secured by a real estate mortgage on the Hospital's new facility In 2010, the Series 2009 Bonds were redeemed in their entirety by the Hospital through the issuance of the Series 2010A Bonds

On June 1, 2010, $15,000,000 of tax-exempt Revenue Refunding Bonds were issued by Hospital Authority No 1 of Gage County, Nebraska (Issuer) pursuant to First Supplemental Trust Indenture between the Issuer and Wells Fargo Bank, National Association, of Lincoln, Nebraska (Trustee) The proceeds of the Series 2010A Bonds were loaned to the Hospital to refund Interim Financing Bonds, Series 2009 The Series 2010A Bonds are secured by a real estate mortgage on the Hospital's new facility

On June 15, 2010, $30,000,000 of tax-exempt Revenue Bonds were issued by Hospital Authority No 1 of Gage County, Nebraska (Issuer) pursuant to Second Supplemental Trust Indenture between the Issuer and Wells Fargo Bank, National Association, of Lincoln, Nebraska (Trustee) The proceeds of the Series 2010B Bonds were loaned to the Hospital to pay a portion of the cost of constructing a new hospital facility and acquiring furniture, fixtures, equipment and apparatus for said new facility The Series 2010B Bonds are secured by a real estate mortgage on the Hospital's new facility

Maturities of long-term debt are as follows

2012	$ 1,010,000
2013	1,035,000
2014	1,065,000
2015	1,100,000
2016	1,140,000
Thereafter	39,650,000
	$ 45,000,000
Current portion	$ 1,010,000
Long-term portion	43,990,000
	$ 45,000,000

In accordance with the Trust Indentures, the Hospital has established certain funds which are held by the Trustee Refer to Note 5 for further discussion regarding these funds The Trust Indentures also place limits on the incurrence of additional borrowings and require that the Hospital satisfy certain restrictive covenants as long as the bonds are outstanding

A summary of interest expense and investment income on borrowed funds during the year ended September 30, 2011 and 2010 is as follows

	2011	2010
Interest cost		
Capitalized	$ 2,650,807	1,124,299
Expensed	--	21,866
	$ 2,650,807	1,146,165
Investment income (loss)		
Capitalized	$ 268,179	(94,955)

(9) Discontinued Operations

On April 11, 2010, the Hospital ceased operations of its long-term care services The following amounts related to the long-term care operations have been segregated from continuing operations and reported as discontinued operations through the date of cessation

	2011	2010
Net patient service revenue	$ --	143,221
Other revenue	--	3,269
Total revenue	--	146,490
Salaries and wages	--	814,512
Employee health and welfare	--	354,892
Professional fees and purchased services	--	202,047
Supplies and other	--	165,213
Depreciation and amortization	--	16,626
Total expenses	--	1,553,290
Net loss from discontinued operations	$ --	(1,406,800)

The results of operations for the long-term care services were reported within discontinued operations in the prior period statement of operations The prior period balance sheet, statement of changes in net assets and cash flows do not separately report the discontinued operations

(10) Pension Plan

The Hospital has a defined contribution pension plan covering substantially all of its employees The plan is available to all Hospital employees at least 18 years of age who have completed one year of service and work 1,000 hours or more in a twelve-consecutive month period, and permits the Hospital to contribute dollars on behalf of the employee for withdrawal in future years The participants are fully vested immediately upon plan entry date The deferred compensation is not available to employees until termination, retirement, death, or disability The Hospital may choose a discretionary contribution each plan year The discretionary rate was established at 6% of each participant's salary for the years ended September 30, 2011 and 2010

Contributions are included in employee health and welfare expense on the accompanying statements of operations in the amount of $891,341 and $828,293 for the years ended September 30, 2011 and 2010, respectively

(11) Professional Liability Insurance

The Hospital carries a professional liability policy (including malpractice) which provides $1,000,000 of coverage for injuries per occurrence and $3,000,000 aggregate coverage with an umbrella liability policy of $5,000,000 These policies provide coverage on a claims made basis, covering only those claims which have occurred and are reported to the insurance company while the coverage is in force In addition, the Hospital carries a general liability policy which provides $1,000,000 of coverage for injuries per occurrence and $3,000,000 aggregate coverage

The Hospital could have exposure on possible incidents that have occurred for which claims will be made in the future, should professional liability insurance not be obtained or should coverage be limited and/or not available

Accounting principles generally accepted in the United States of America require a healthcare provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents The Hospital is not aware of any known claims or incidents that may be asserted from services to patients The Hospital has also evaluated its paid claims history and has determined that no reserve for losses on both asserted or unasserted claims is needed

(12) Related Party Transactions

As discussed in Note 1, Health System of Beatrice, Inc is the corporate sponsor of the Hospital, Beatrice Community Hospital Foundation, Inc , Homestead Village, Inc , Parkview Village, Inc , and Beatrice Retirement, Inc , and owns all of Physicians Building, Inc The sum of all indebtedness to the Hospital from these affiliates totaled $525,386 and $528,181 at September 30, 2011 and 2010, respectively, and is included as part of other receivables in the accompanying balance sheets

The Hospital provided various management and maintenance services to the following related parties for the years ended September 30, 2011 and 2010 and is included in other revenue on the accompanying statements of operations

		2011	2010
Homestead Village, Inc	$	83,020	90,208
Parkview Village, Inc		40,968	34,760
Beatrice Retirement, Inc		55,044	55,044
	$	179,032	180,012

The Hospital received grants from Beatrice Community Hospital Foundation, Inc in the amount of $61,787 and $28,265 for the years ended September 30, 2011 and 2010, respectively, and is included as other revenue in the accompanying statements of operations

(13) Concentrations of Credit Risk

The Hospital is located in Beatrice, Nebraska The Hospital grants credits without collateral to its patients, most of who are local residents and are insured under third-party payor agreements The mix of receivables from patients and third-party payors at September 30, 2011 and 2010 was as follows

	2011	2010
Medicare	19%	24%
Medicaid	7	5
Blue Cross	7	8
Other third-party payors	10	11
Private pay	57	52
	100%	100%

The Hospital maintains deposits in excess of Federal Deposit Insurance Corporation insurance limits Management believes the risk relating to these deposits is minimal

(14) Commitments and Contingencies

Litigation

The Hospital is involved in litigation and regulatory investigations arising in the course of business After consultation with legal counsel, management estimates these matters will be resolved without material adverse affect on the Hospital's future financial position or results from operations

(15) Functional Expenses

The Hospital provides general healthcare services to residents within its geographic location Expenses included in the statements of operations relate to the provision of these services