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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

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization

COMMUNITY HEALTH PARTNERS INC

Doing Business As

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

1102 WEST MACARTHUR

Room/suite

City or town, state or country, and ZIP + 4

SHAWNEE, OK 74801

F Name and address of principal officer

CHARLES SKILLINGS

1102 WEST MACARTHUR

SHAWNEE, OK 74801

H(a) Is this a group return for affiliates?

☐ Yes ☒ No

H(b) Are all affiliates included?

☐ Yes ☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number

I Tax-exempt status

☒ 501(c)(3) ☐ 501(c) () ☐ (Insert no) ☐ 4947(a)(1) or ☐ 527

J Website:

WWW.UNITYHEALTHCENTER.COM

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation

1989

M State of legal domicile

OK

Part I	Summary																								
Activities & Governance	<div><div>1</div><div>Briefly describe the organization's mission or most significant activities</div><div>TO POSITIVELY IMPACT HUMAN LIFE THROUGH EXCEPTIONAL HEALTH CARE. OUR CORE VALUES ARE THE FOLLOWING: COMPASSIONATE CARE, CLINICAL EXCELLENCE, PEOPLE FIRST, RESOURCE STEWARDSHIP, AND COMMUNITY OUTREACH.</div></div>																								
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Part II

Signature Block

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

Sign Here

Signature of officer

MICHELLE BRIGGS CHAIR

Type or print name and title

2012-08-15

Date

Paid Preparer Use Only

Print/Type preparer's name

Anne M Adams

Preparer's signature

Anne M Adams

Date

Check if self-employed

☐

PTIN

Firm's name

BKD LLP

Firm's EIN

Firm's address

BKD LLP
6120 S Yale
1400
Tulsa, OK 741364223

Phone no

(918) 584-2900

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

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2010)

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

TO POSITIVELY IMPACT HUMAN LIFE THROUGH EXCEPTIONAL HEALTH CARE OUR CORE VALUES ARE THE FOLLOWING
COMPASSIONATE CARE, CLINICAL EXCELLENCE, PEOPLE FIRST, RESOURCE STEWARDSHIP, AND COMMUNITY OUTREACH

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 \$ 14,824,120 including grants of \$ 45,305) (Revenue \$ 11,025,570)

ACUTE AND INTENSIVE CARE

4b

(Code) (Expenses \$ 9,651,842 including grants of \$) (Revenue \$ 17,912,820)

EMERGENCY CARE AND URGENT CARE CLINIC

4c

(Code) (Expenses \$ 18,435,591 including grants of \$) (Revenue \$ 31,573,443)

SURGERY

4d

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



















(Expenses \$ 7,011,176 including grants of \$) (Revenue \$ 5,588,129)

4e

Total program service expenses

\$ 49,922,729

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

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b–24d and complete Schedule K. If "No," go to line 25</i>	24a	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? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35		No
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>			
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		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? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance			
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>			
		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	122
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, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a	763
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders.	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b	
c	Enter the amount of reserves on hand.	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b	

Part VI

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	15	
b	Enter the number of voting members included in line 1a, above, who are independent	1b	13	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		No
6	Does the organization have members or stockholders?	6		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		No

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed <input checked="" type="checkbox"/> OK
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization <input checked="" type="checkbox"/> LINDA BROWN SECRETARY 1102 WEST MACARTHUR SHAWNEE, OK 74801 (405) 878-8110

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) CHARLES SKILLINGS CEO, PRESIDENT	40 0	X		X				332,854	0	31,495
(2) MIKE ADCOCK DIRECTOR	1 0	X						10,400	0	0
(3) MICHELLE BRIGGS CHAIR	1 0	X		X				13,650	0	0
(4) DARRELL COKER DIRECTOR	1 0	X						9,275	0	0
(5) SUDHIR GUPTA MD DIRECTOR	1 0	X						103,713	0	0
(6) CHRIS HOWARD DIRECTOR	1 0	X						9,100	0	0
(7) KELLI KOONS MD DIRECTOR	1 0	X						10,400	0	0
(8) KATHLEEN LASTER PHD DIRECTOR	1 0	X						10,400	0	0
(9) JOHN ROBINSON MD DIRECTOR	1 0	X						14,787	0	0
(10) CHARLES SHIELDS DIRECTOR	1 0	X						10,400	0	0
(11) ABBOT LAWRENCE STSYSZEN DIRECTOR	1 0	X						9,100	0	0
(12) STEPHEN TROTTER MD DIRECTOR	1 0	X						9,100	0	0
(13) MICHAEL WARWICK DIRECTOR	1 0	X						15,315	0	0
(14) MARK FINLEY DIRECTOR	1 0	X						22,015	0	0
(15) LINDA PRAYTOR DIRECTOR	1 0	X						8,450	0	0
(16) THOMAS KELLER EVP, COO	40 0			X				236,581	0	26,834

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) MELISSA WALKER SENIOR VP FINANCE	40 0			X				186,255	0	7,800
(18) STARLA GRIFFITH VP NURSING	40 0			X				154,211	0	6,581
(19) ANGI MOHR SENIOR VP NURSING	40 0			X				98,695	0	23,088
(20) LINDA BROWN SENIOR VP CLINICAL SUPP SVCS	40 0				X			145,270	0	24,336
(21) GAYNELLE ANDERSON HOSPITALIST	40 0					X		234,347	0	9,431
(22) DARLA DUNIPHEN PA	40 0					X		128,057	0	5,122
(23) LARA MASHEK HOSPITALIST	40 0					X		251,496	0	6,769
(24) DAVID HADLEY HOSPITALIST	40 0					X		257,791	0	10,378
(25) TARIQ NIAZI PHYSICIAN	40 0					X		433,722	0	14,738
1b Sub-Total ▶										
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶								2,715,384	0	166,572

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▶18

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

Section B. Independent Contractors

1

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

(A) Name and business address	(B) Description of services	(C) Compensation
CLINICAL PARTNERS PA PO BOX 4502 LONGVIEW, TX 75606	CRNA'S	1,683,560
WESTCHESTER DEVELOPMENT CO 1901 NORHT KICKAPOO SHAWNEE, OK 74801	CONSTRUCTION	1,660,346
JJ WILD INC OF NEW ENGLAND POBOX 31498 HARTFORD, CT 061051498	COMPUTER MAINTENANCE	696,650
SODEXO INC AFFILIATES PO BOX 360170 PITTSBURGH, PA 152620001	DIETARY	1,169,639
SMITH PICKEL CONSTRUCTION POST OFFICE BOX 21447 OKLAHOMA CITY, OK 73156	CONSTRUCTION	425,369
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 ▶12		

Part VIII

Statement of Revenue

			(A)	(B)	(C)	(D)		
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514		
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e	424,058				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	26,950				
	g	Noncash contributions included in lines 1a-1f \$						
	h	Total. Add lines 1a-1f		451,008				
	Program Service Revenue	2a	NET PATIENT SERVICE REVENUE	621300	62,259,117	62,259,117		
b		RENT REVENUE FROM SPECIALTY CLINIC	531120	171,870	171,870			
c		JOINT VENTURE	531120	49,463	49,463			
d		MEDICARE EHR INCENTIVES	621300	2,321,469	2,321,469			
e								
f		All other program service revenue						
g		Total. Add lines 2a-2f		64,801,919				
Other Revenue		3	Investment income (including dividends, interest and other similar amounts)		1,143,692			1,143,692
		4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0				
	6a	Gross Rents	(i) Real	(ii) Personal				
		b	Less rental expenses					
		c	Rental income or (loss)					
		d	Net rental income or (loss)					
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		b	Less cost or other basis and sales expenses					
		c	Gain or (loss)					
		d	Net gain or (loss)					
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a					
		b	Less direct expenses	b				
		c	Net income or (loss) from fundraising events		0			
	9a	Gross income from gaming activities See Part IV, line 19	a					
		b	Less direct expenses	b				
		c	Net income or (loss) from gaming activities		0			
	10a	Gross sales of inventory, less returns and allowances	a					
		b	Less cost of goods sold	b				
		c	Net income or (loss) from sales of inventory		0			
Miscellaneous Revenue		Business Code						
11a	OTHER REVENUE	900099	789,666	789,666				
	b	GIFT SHOP REVENUE	900099	190,895			190,895	
	c							
	d	All other revenue						
12	Total revenue. See Instructions		980,561					
			67,520,149	65,591,585			1,477,556	

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	45,305	45,305		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	1,405,159	1,150,821	254,338	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	24,711,994	20,239,045	4,472,949	0
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	705,791	578,041	127,750	
9	Other employee benefits	5,546,401	4,542,485	1,003,916	
10	Payroll taxes	1,860,633	1,523,853	336,780	
a	Fees for services (non-employees)				
	Management	0			
b	Legal	124,984		124,984	
c	Accounting	173,957		173,957	
d	Lobbying	0			
e	Professional fundraising services See Part IV, line 17	0			
f	Investment management fees	136,341		136,341	
g	Other	7,606,700	6,229,863	1,376,837	
12	Advertising and promotion	253,969		253,969	
13	Office expenses	273,199	223,749	49,450	
14	Information technology	357,331	292,653	64,678	
15	Royalties	0			
16	Occupancy	577,574	473,031	104,543	
17	Travel	37,887	31,029	6,858	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	192,860	192,860		
20	Interest	316,022		316,022	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	4,519,153	3,701,172	817,981	
23	Insurance	945,381	774,264	171,117	
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	MEDICAL SUPPLIES	7,863,767	7,863,767		
b	DIETARY EXPENSE	618,677	506,695	111,982	
c	COMMUNICATIONS	213,955	175,228	38,727	
d	RECRUITMENT AND RETENTION	400,596	328,087	72,509	
e	MINOR EQUIPMENT AND TOOLS	146,968	120,366	26,602	
f	All other expenses	1,122,616	930,415	192,201	
25	Total functional expenses. Add lines 1 through 24f	60,157,220	49,922,729	10,234,491	0
26	Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			4,321,737	1	6,642,490
	2	Savings and temporary cash investments			7,435,340	2	4,482,751
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			8,044,685	4	9,491,460
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			28,750	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Schedule L				6	
	7	Notes and loans receivable, net				7	
	8	Inventories for sale or use			1,562,405	8	1,729,741
	9	Prepaid expenses and deferred charges			759,895	9	880,122
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	83,845,633			
	b	Less: accumulated depreciation	10b	43,113,606	39,018,352	10c	40,732,027
	11	Investments—publicly traded securities			24,907,554	11	27,505,457
	12	Investments—other securities. See Part IV, line 11			6,185,040	12	7,203,923
	13	Investments—program-related. See Part IV, line 11			1,603,110	13	1,554,259
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			100,018	15	79,004
16	Total assets. Add lines 1 through 15 (must equal line 34)			93,966,886	16	100,301,234	
Liabilities	17	Accounts payable and accrued expenses			5,428,012	17	5,781,402
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities			5,682,916	20	4,630,548
	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			6,408,591	23	5,939,463
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities. Complete Part X of Schedule D			43,253	25	253,000
	26	Total liabilities. Add lines 17 through 25			17,562,772	26	16,604,413
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			76,404,114	27	83,696,821
	28	Temporarily restricted net assets				28	
	29	Permanently restricted net assets				29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			76,404,114	33	83,696,821
	34	Total liabilities and net assets/fund balances			93,966,886	34	100,301,234

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	67,520,149
2	Total expenses (must equal Part IX, column (A), line 25)	2	60,157,220
3	Revenue less expenses Subtract line 2 from line 1	3	7,362,929
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	76,404,114
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-70,222
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	83,696,821

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization COMMUNITY HEALTH PARTNERS INC	Employer identification number 73-1347360
-----------------------------------------------------------	----------------------------------------------

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

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

- 1

☐

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

☐

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

☒

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box

g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

Part II

Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

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

Part IIIPart III

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6)						

Section B. Total Support						
Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support (Add lines 9, 10c, 11 and 12)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here 						

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

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2010. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization 		
b 33 1/3% support tests—2009. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization 		
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions 		

Part IV

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

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶ **Complete if the organization is described below.**
▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

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

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

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

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

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

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

Name of the organization COMMUNITY HEALTH PARTNERS INC	Employer identification number 73-1347360
-----------------------------------------------------------	----------------------------------------------

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

1	Provide a description of the organization’s direct and indirect political campaign activities in Part IV	
2	Political expenditures	▶ \$ _____
3	Volunteer hours	_____

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

1	Enter the amount of any excise tax incurred by the organization under section 4955	▶ \$ _____
2	Enter the amount of any excise tax incurred by organization managers under section 4955	▶ \$ _____
3	If the organization incurred a section 4955 tax, did it file Form 4720 for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b	If “Yes,” describe in Part IV	

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

1	Enter the amount directly expended by the filing organization for section 527 exempt function activities	▶ \$ _____
2	Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities	▶ \$ _____
3	Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b	▶ \$ _____
4	Did the filing organization file Form 1120-POL for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5	Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization’s funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV	

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

Part II-A

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

A

Check

☐

if the filing organization belongs to an affiliated group

B

Check

☐

if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No													

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

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

		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
	a Volunteers?		No	
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
	c Media advertisements?		No	
	d Mailings to members, legislators, or the public?		No	
	e Publications, or published or broadcast statements?		No	
	f Grants to other organizations for lobbying purposes?	Yes		7,689
	g Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
	i Other activities? If "Yes," describe in Part IV		No	
	j Total lines 1c through 1i			7,689
	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
1	SCHEDULE C, PART II-B, LINE 1F	THE ORGANIZATION IS A MEMBER OF THE OKLAHOMA HOSPITAL ASSOCIATION AND THE AMERICAN HOSPITAL ASSOCIATION. A PORTION OF THE DUES PAID TO THESE ORGANIZATIONS ARE USED FOR LOBBYING.

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
COMMUNITY HEALTH PARTNERS INC

Employer identification number
73-1347360

Part I

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	
	<div><input type="checkbox"/> Yes</div> <div><input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit	
	<div><input type="checkbox"/> Yes</div> <div><input type="checkbox"/> No</div>	

Part II

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

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure)

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

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

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

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

▶ \$ _____

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2010

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

- 3

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

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other
- 4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV
- 5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

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

- 1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No
- b

If "Yes," explain the arrangement in Part XIV and complete the following table
- | | |
|----|--------|
| | Amount |
| 1c | |
| 1d | |
| 1e | |
| 1f | |
- 2a

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

☐ Yes

☐ No
- b

If "Yes," explain the arrangement in Part XIV

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

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

- 2

Provide the estimated percentage of the year end balance held as
- a

Board designated or quasi-endowment ▶
- b

Permanent endowment ▶
- c

Term endowment ▶
- 3a

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

unrelated organizations

(ii)

related organizations
- b

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		538,372		538,372
b Buildings		29,989,837	9,497,774	20,492,063
c Leasehold improvements		320,112	63,749	256,363
d Equipment		42,192,711	32,096,035	10,096,676
e Other		10,804,601	1,456,048	9,348,553
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				40,732,027

Part XI

Reconciliation of Change in Net Assets from Form 990 to Financial Statements

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

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

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

Part XIV

Supplemental Information

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

Identifier	Return Reference	Explanation
1	SCHEDULE D, PART X, LINE 2	MANAGEMENT HAS EVALUATED THEIR INCOME TAX POSITIONS UNDER THE GUIDANCE INCLUDED IN ASC 740 BASED ON THEIR REVIEW, MANAGEMENT HAS NOT IDENTIFIED ANY MATERIAL UNCERTAIN TAX POSITIONS TO BE RECORDED OR DISCLOSED IN THE FINANCIAL STATEMENTS

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
COMMUNITY HEALTH PARTNERS INC

Employer identification number
73-1347360

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	Yes	
1b	If "Yes," is it a written policy?	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year <div><input type="checkbox"/> Applied uniformly to all hospitals</div> <div><input type="checkbox"/> Applied uniformly to most hospitals</div> <div><input type="checkbox"/> Generally tailored to individual hospitals</div>		
3	Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care <div><input checked="" type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____%</div> b Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care <div><input type="checkbox"/> 200% <input type="checkbox"/> 250% <input checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____%</div> 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"?	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	Yes	
5b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		No
5c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
6a	Does the organization prepare a community benefit report during the tax year?		No
6b	If "Yes," did the organization make it available to the public?		
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H		

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)			266,049		266,049	0 540 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			7,566,860	9,549,561		
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			7,832,909	9,549,561	266,049	0 540 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			317,202	225	316,977	0 640 %
f Health professions education (from Worksheet 5)						
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			317,202	225	316,977	0 640 %
k Total. Add lines 7d and 7j			8,150,111	9,549,786	583,026	1 180 %

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	No
2	Enter the amount of the organization's bad debt expense (at cost)	2	4,041,497
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	676,190
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	9,549,561
6	Enter Medicare allowable costs of care relating to payments on line 5	6	7,615,408
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	1,934,153
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	No
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	

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 SHAWNEE SURGICAL	OWNS BUILDING THAT HOUSES OP			
2 REALTY LLC	SURGERY DEPARTMENT	70.316 %	2.399 %	17.690 %
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Section A. Hospital Facilities

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

Schedule H (Form 990) 2010

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

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

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

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

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the description required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
1	SCHEDULE H, PART I, LINE 3C	THE ORGANIZATION USES THE FEDERAL POVERTY GUIDELINES IN DETERMINING THOSE ELIGIBLE FOR CHARITY CARE THE INCOME AS A PERCENTAGE OF THE FEDERAL POVERTY LEVEL AND CHARITY PERCENTAGE ALLOWED IS ON A SLIDING SCALE 100 & BELOW POVERTY LEVEL = 100% DISCOUNT 101 - 200% OF POVERTY LEVEL = 75% DISCOUNT 201 - 300% OF POVERTY LEVEL = 50% DISCOUNT

Identifier	ReturnReference	Explanation
2	SCHEDULE H, PART III, LINE 4	UNITY HEALTH CARE HAS APPLIED THE COST TO CHARGE RATIO TO BAD DEBT EXPENSE FOR THE CURRENT TAX YEAR

Identifier	ReturnReference	Explanation
3	SCHEDULE H, PART VI, LINE 2	COMMUNITY PARTNERS UTILIZES INTERNAL PATIENT DATA TO BETTER UNDERSTAND WHAT TYPES OF HEALTH ISSUES AND SOCIETAL TRENDS ARE PRESENT IN OUR COMMUNITY THE EMERGENCY DEPARTMENT PROVIDES A GREAT DEAL OF INFORMATION DISEASES, ACCIDENTS AND OTHER HEALTH RELATED CHALLENGES FACED BY OUR POPULATION WE ALSO PARTICIPATE IN OUR LOCAL COMMUNITY TO REPRESENT THE HOSPITAL AND TO GAIN AN UNDERSTANDING OF THE OPPORTUNITES FOR COMMUNITY BUILDING ACTIVITIES MANY OF OUR PROFESSIONAL AND CLININCAL STAFF ARE ACTIVE IN THEIR RELEVANT PROFESSIONAL ORGANIZATIONS AND IN THIS WAY THE HOSPITAL CAN DETERMINE WHAT EDUCATIONAL PROGRAMS OR SERVICES IT WILL SPONSOR IT IS OUR INTENT TO PERFORM A FORMAL COMMUNITY NEEDS ASSESSMENT IN THE UPCOMING FISCAL YEAR

Identifier	ReturnReference	Explanation
4	SCHEDULE H, PART VI, LINE 3	COMMUNITY HEALTH PARTNERS USES AN OUTSIDE COMPANY TO REVIEW ALL PATIENTS SEEN IN THE HOSPITAL THAT DO NOT HAVE INSURANCE OR OTHER COVERAGE FOR THEIR CARE ACCOUNTS ARE REVIEWED AND POTENTIAL ELIGIBILITY IS DETERMINED BY THIS COMPANY WHO THEN WORKS WITH THE PATIENT TO COMPLETE ANY NECESSARY PAPERWORK IF IT APPEARS THERE ARE NO OTHER PROGRAMS AVAILABLE TO THE PATIENT, THE OUTSIDE COMPANY EDUCATES THE PATIENT ABOUT THE CHARITY POLICY OF THE HOSPITAL AND PROVIDES THE NECESSARY APPLICATION

Identifier	ReturnReference	Explanation
5	SCHEDULE H, PART VI, LINE 4	COMMUNITY HEALTH PARTNERS SERVES A POPULATION OF WHICH 19% IS OVER AGE 65 ACCORDING TO 2008 CENSUS INFORMATION , ADDITIONALLY WE ARE A DISPROPORTIONATE SHARE HOSPITAL SO MANY OF OUR CONSTITUENTS ARE LOWER INCOME INDIVIDUALS A SIGNIFICANT PORTION OF OUR SERVICE AREA IS RURAL AND IT'S POPULATION IS DISPERSED GEOGRAPHICALLY

Identifier	ReturnReference	Explanation
6	SCHEDULE H, PART VI, LINE 5	<p>COMMUNITY HEALTH PARTNERS' STAFF PARTICIPATE IN MANY COMMUNITY BUILDING ACTIVITIES SUCH AS SHAWNEE ECONOMIC DEVELOPMENT FOUNDATION, THE POLICE FOUNDATION, CHAMBER OF COMMERCE AND UNITED WAY BY STAYING INVOLVED IN THE COMMUNITY WE UNDERSTAND WHAT PROGRAMS THE HOSPITAL COULD OFFER OR SUPPORT TO IMPROVE THE HEALTH STATUS OF OUR COMMUNITY ONE RECENT NEED THAT WAS IDENTIFIED IN OUR COMMUNITY WAS A PLACE TO HOUSE AND CARE FOR THE HOMELESS IN SHAWNEE THE HOSPITAL SECURED A BUILDING FOR THE SHAWNEE RESCUE MISSION AND MAINTAINS TO BE A CRITICAL SUPPORT ROLE IN THIS ENDEAVOR OTHER INFORMATION COMMUNITY HEALTH PARTNERS' BOARD OF DIRECTORS INCLUDE MEMBERS FROM SHAWNEE AND ITS SURROUNDING COMMUNITIES AS WELL AS MEMBERS OF THE HOSPITAL'S MEDICAL STAFF ANY SURPLUS FUNDS ARE DIRECTED BACK TO THE HOSPITAL TO PURCHASE EQUIPMENT, UPDATE THE FACILITIES OR PROVIDE FOR OPERATIONAL SUPPORT COMMUNITY HEALTH PARTNERS SPONSOR AND SUPPORT A VARIETY OF HEALTH PROGRAMS IN THE COMMUNITY PROGRAMS THE HOSPITAL OFFERS INCLUDE EDUCATION PROGRAMS BETTER BREATHERS CLUB, CHILDBIRTH CLASSES, DIABETES EDUCATION, PROSTATE SCREENING, SKIN CANCER SCREENING, BREAST CANCER EDUCATION PROGRAMS, HEART DISEASE EDUCATION PROGRAMS FOR PROFESSIONALS CPR TRAINING COMMUNITY OUTREACH CANADIAN VALLEY HEALTH INFORMATION BOOTH, SHAWNEE MILLING WELLNESS, SHAWNEE HOME & GARDEN EVENT PROVIDING INFORMATION ON BACK SAFETY AND SUN SAFETY, PHYSICAL THERAPY EDUCATION TO AREA BUSINESSES AND SCHOOLS, CANCER INFORMATION TO CIVIC ORGANIZATION, UNITED WAY OF POTTAWATOMIE COUNTY, SALVATION ARMY, VOLUNTEER FREE CLINIC</p>

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
COMMUNITY HEALTH PARTNERS INC

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

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

OMB No 1545-0047

2010

Open to Public
Inspection

Employer identification number
73-1347360

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) UNZNER CENTER214 NORTH OKLAHOMA AVENUE SHAWNEE,OK 74801	73-6006409	Governmental	25,000				GENERAL FUNDING

2

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

1

3

Enter total number of other organizations

0

Part III

Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Use Schedule I-1 (Form 990) if additional space is needed.

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

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
1	SCHEDULE I, PART 1, LINE 2	THE ORGANIZATION GRANTED MONEY DURING THE FISCAL YEAR TO VARIOUS TAX-EXEMPT ORGANIZATION THE ORGANIZATION MAINTAINS RECORDS WHICH SHOW THE AMOUNT OF MONEY GIVEN TO THE VARIOUS ORGANIZATIONS, ALONG WITH THE PURPOSE OF WHY THE MONEY WAS GRANTED THE ORGANIZATION MAKES A DETERMINATION OF WHICH ORGANIZATIONS WILL RECEIVE GRANT MONEY DURING THE YEAR AND DONATES THE FUNDS ACCORDINGLY

Schedule J (Form 990) <div>Department of the Treasury Internal Revenue Service</div>	<div>Compensation Information</div> <div>For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees</div> <div>▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.</div> <div>▶ Attach to Form 990. ▶ See separate instructions.</div>	OMB No 1545-0047
		2010
		Open to Public Inspection

Name of the organization COMMUNITY HEALTH PARTNERS INC	Employer identification number 73-1347360
-----------------------------------------------------------	----------------------------------------------

Part I

Questions Regarding Compensation

	Yes	No
<div>1a</div> <div>Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items</div> <div><div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div><div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div>		
<div>b</div> <div>If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain</div>	1b	
<div>2</div> <div>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?</div>	2	
<div>3</div> <div>Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply</div> <div><div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div></div><div><div><input type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div></div>		
<div>4</div> <div>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</div>		
<div>a</div> <div>Receive a severance payment or change-of-control payment from the organization or a related organization?</div>	4a	No
<div>b</div> <div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div>	4b	No
<div>c</div> <div>Participate in, or receive payment from, an equity-based compensation arrangement?</div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III</div>	4c	No
<div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div>		
<div>5</div> <div>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</div>		
<div>a</div> <div>The organization?</div>	5a	No
<div>b</div> <div>Any related organization?</div> <div>If "Yes," to line 5a or 5b, describe in Part III</div>	5b	No
<div>6</div> <div>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</div>		
<div>a</div> <div>The organization?</div>	6a	No
<div>b</div> <div>Any related organization?</div> <div>If "Yes," to line 6a or 6b, describe in Part III</div>	6b	No
<div>7</div> <div>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</div>	7	No
<div>8</div> <div>Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III</div>	8	No
<div>9</div> <div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?</div>	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) CHARLES SKILLINGS	(i) (ii)	315,854 0	17,000 0	0 0	12,336 0	19,159 0	364,349 0	0 0
(2) THOMAS KELLER	(i) (ii)	236,581 0	0 0	0 0	7,675 0	19,159 0	263,415 0	0 0
(3) LINDA BROWN	(i) (ii)	145,270 0	0 0	0 0	5,177 0	19,159 0	169,606 0	0 0
(4) MELISSA WALKER	(i) (ii)	186,255 0	0 0	0 0	6,720 0	1,080 0	194,055 0	0 0
(5) GAYNELLE ANDERSON	(i) (ii)	234,347 0	0 0	0 0	9,431 0	0 0	243,778 0	0 0
(6) LARA MASHEK	(i) (ii)	251,496 0	0 0	0 0	6,769 0	0 0	258,265 0	0 0
(7) DAVID HADLEY	(i) (ii)	257,791 0	0 0	0 0	10,378 0	0 0	268,169 0	0 0
(8) TARIQ NIAZI	(i) (ii)	433,722 0	0 0	0 0	14,738 0	0 0	448,460 0	0 0
(9) STARLA GRIFFITH	(i) (ii)	154,211 0	0 0	0 0	5,501 0	1,080 0	160,792 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
------------	------------------	-------------

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
COMMUNITY HEALTH PARTNERS INC

Employer identification number
73-1347360

Part I

Bond Issues

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A THE OKLAHOMA DEVELOPMENT FINANCE AUTHORITY	73-1083741	678910CN8	02-01-2004	10,475,000	REFUND SERIES 1993 BONDS		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	10,475,000							
4	Gross proceeds in reserve funds	1,047,500							
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrow	11,022,203							
7	Issuance costs from proceeds	75,500							
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds								
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2004							
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III

Private Business Use

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

Part IIIPrivate 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?								
b	Are there any research agreements that may result in private business use of bond-financed property?								
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?								
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?								

Part IVArbitrage

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

Part VSupplemental Information

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

Identifier	Return Reference	Explanation

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

COMMUNITY HEALTH PARTNERS INC

Employer identification number

73-1347360

Identifier	Return Reference	Explanation
1	FORM 990, PART VI, LINE 11	THE FORM 990 IS PREPARED AND REVIEWED BY AN OUTSIDE ACCOUNTING FIRM THE 990 IS THEN POSTED TO THE BOARD PAGE BEFORE THE MEETING AND ALSO REVIEWED IN THE BOARD MEETING PRIOR TO FILING WITH THE IRS

Identifier	Return Reference	Explanation
2	FORM 990, PART VI, LINE 12C	CONFLICT OF INTEREST STATEMENTS ARE COMPLETED AND REVIEWED BY THE BOARD ON AN ANNUAL BASIS OFFICERS, DIRECTORS OR TRUSTEES AND KEY EMPLOYEES COMPLETE THE FORMS

Identifier	Return Reference	Explanation
3	FORM 990, PART VI, LINE 15	COMPARABILITY DATA FROM INDEPENDENT SOURCES IS USED TO DETERMINE THE CEO'S COMPENSATION EXECUTIVE COMPENSATION SURVEYS AND THE COMPENSATION SURVEY DONE BY OHA IS USED FOR SETTING COMPENSATION FOR OFFICERS AND OTHER KEY EMPLOYEES THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS REVIEWS COMPARABILITY AND OTHER DATA AND APPROVES COMPENSATION ADJUSTMENTS

Identifier	Return Reference	Explanation
4	FORM 990, PART VI, LINE 19	THE ORGANIZATION DOES NOT MAKE THESE DOCUMENTS AVAILABLE TO THE PUBLIC

Identifier	Return Reference	Explanation
5	FORM 990, PART VI, LINE 2	STEPHEN TROTTER AND JOHN ROBINSON HAVE A BUSINESS RELATIONSHIP

Identifier	Return Reference	Explanation
6	FORM 990, PART XI, LINE 5	UNREALIZED LOSSES (568,646) FOUNDATION NET ASSET ELIMINATION 180,942 BOOK/TAX DIFFERENCE FROM JOINT VENTURE 317,482 TOTAL (70,222)

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
COMMUNITY HEALTH PARTNERS INC

Employer identification number
73-1347360

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) UNITY HEALTH FOUNDATION 1102 W MACARTHUR SHAWNEE, OK 74804 73-1421425	SUPPORT ORG	OK	501(C)(3)	11A	NA		

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) SHAWNEE SURGICAL REALTY LLC 2801 NORTH SARATOGA SHAWNEE, OK74804 43-2075456	RENT REAL ESTATE	OK	NA	RENTAL INCOME	49,463	843,536		No			No	70.316 %

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

1

During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a

Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b

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

c

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

d

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

e

Loans or loan guarantees by other organization(s)

f

Sale of assets to other organization(s)

g

Purchase of assets from other organization(s)

h

Exchange of assets

i

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

j

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

k

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

l

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

m

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

n

Sharing of paid employees

o

Reimbursement paid to other organization for expenses

p

Reimbursement paid by other organization for expenses

q

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

r

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

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

No

No

No

No

No

No

No

No

No

No

Yes

Yes

No

No

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)			

Schedule R (Form 990) 2010

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

[illegible]

Part VII **Supplemental Information**

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

Identifier	Return Reference	Explanation
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Community Health Partners, Inc.
d/b/a Unity Health Center
Accountants' Report and Consolidated Financial Statements
September 30, 2011 and 2010



Community Health Partners, Inc.
d/b/a Unity Health Center
September 30, 2011 and 2010

Contents

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Statements of Operations and Changes in Net Assets	3
Statements of Cash Flows	4
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Independent Accountants' Report

Board of Directors
Community Health Partners, Inc.
d/b/a Unity Health Center
Shawnee, Oklahoma

We have audited the accompanying consolidated balance sheets of Community Health Partners, Inc. d/b/a Unity Health Center (the Health Center) as of September 30, 2011 and 2010, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Health Center'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 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Community Health Partners, Inc. d/b/a Unity Health Center as of September 30, 2011 and 2010, and the results of its operations, the 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.

As discussed in *Note 1*, in 2011, the Health Center changed its method of presentation and disclosure of patient service revenue, provision for bad debts and the allowance for doubtful accounts in accordance with Accounting Standards Update 2011-07.

BKD, LLP

February 6, 2012

Community Health Partners, Inc.
d/b/a Unity Health Center
Consolidated Balance Sheets
September 30, 2011 and 2010

Assets

	2011	2010
Current Assets		
Cash and cash equivalents	\$ 6,651,497	\$ 4,343,893
Assets limited as to use – current	1,149,340	1,136,479
Patient accounts receivable, net of allowance, 2011 – \$7,438,000, 2010 – \$7,433,000	7,885,578	7,142,685
Other receivables	1,605,882	972,299
Supplies	1,729,741	1,562,405
Prepaid expenses and other	880,122	759,895
	<hr/>	<hr/>
Total current assets	19,902,160	15,917,656
	<hr/>	<hr/>
Assets Limited as to Use		
Internally designated	36,995,291	36,343,955
Held by trustee	2,196,840	2,183,979
	<hr/>	<hr/>
	39,192,131	38,527,934
Less amount required to meet current obligations	1,149,340	1,136,479
	<hr/>	<hr/>
	38,042,791	37,391,455
	<hr/>	<hr/>
Property and Equipment, at Cost		
Property and equipment	83,845,633	77,738,060
Less accumulated depreciation	43,113,606	38,732,979
	<hr/>	<hr/>
	40,732,027	39,005,081
	<hr/>	<hr/>
Other Assets		
Deferred financing costs, net	79,004	100,018
Investment in joint venture	771,128	819,979
Investment in Heartland	783,131	783,131
	<hr/>	<hr/>
	1,633,263	1,703,128
	<hr/>	<hr/>
Total assets	<u>\$ 100,310,241</u>	<u>\$ 94,017,320</u>

Liabilities and Net Assets

	2011	2010
Current Liabilities		
Current maturities of long-term debt	\$ 1,566,262	\$ 1,515,737
Accounts payable	1,681,862	927,080
Accrued salaries and withholding	803,452	1,391,143
Estimated amounts due to third-party payers	253,000	43,253
Accrued interest payable	109,225	126,269
Accrued paid days off	1,262,232	1,155,506
Other accrued expenses	1,924,631	1,828,014
Total current liabilities	7,600,664	6,987,002
 Long-term Debt	 9,003,749	 10,575,770
Total liabilities	16,604,413	17,562,772
 Unrestricted Net Assets	 83,705,828	 76,454,548
Total liabilities and net assets	\$ 100,310,241	\$ 94,017,320

Community Health Partners, Inc.
d/b/a Unity Health Center
Consolidated Statements of Operations and Changes in Net Assets
Years Ended September 30, 2011 and 2010

	2011	2010
Unrestricted Revenues, Gains and Other Support		
Patient service revenue (net of contractual allowances and discounts)	\$ 75,068,673	\$ 81,329,421
Provision for uncollectible accounts	(12,809,558)	(16,243,329)
Net patient service revenue less provision for uncollectible accounts	62,259,115	65,086,092
Other	3,476,350	1,229,735
Total unrestricted revenues, gains and other support	65,735,465	66,315,827
Expenses and Losses		
Salaries and wages	26,117,153	25,966,643
Employee benefits	8,213,288	7,272,165
Purchased services and professional fees	6,048,304	6,124,743
Supplies and other	14,853,824	18,180,944
Depreciation and amortization	4,520,589	4,840,612
Interest	316,022	548,034
Loss on sale of property and equipment	18,878	95,358
Total expenses and losses	60,088,058	63,028,499
Operating Income	5,647,407	3,287,328
Other Income		
Contributions	636,376	382,317
Investment return	600,552	3,685,478
Gain on investment in joint venture and Heartland	366,945	267,852
Total other income	1,603,873	4,335,647
Excess of Revenues over Expenses	7,251,280	7,622,975
Contributions for acquisition of property and equipment	-	175,000
Investment return – change in unrealized losses on other than trading securities	-	(2,011,757)
Increase in Unrestricted Net Assets	7,251,280	5,786,218
Unrestricted Net Assets, Beginning of Year	76,454,548	70,668,330
Unrestricted Net Assets, End of Year	\$ 83,705,828	\$ 76,454,548

Community Health Partners, Inc.
d/b/a Unity Health Center
Consolidated Statements of Cash Flows
Years Ended September 30, 2011 and 2010

	2011	2010
Operating Activities		
Change in net assets	\$ 7,251,280	\$ 5,786,218
Items not requiring (providing) cash		
Loss on sale of property and equipment	18,878	95,358
Contributions for acquisition of property and equipment	-	(175,000)
Depreciation and amortization	4,520,589	4,840,612
Amortization of bond premium	(41,146)	(41,146)
Income from joint venture and Heartland	(366,945)	(267,852)
Change in unrealized (gains) losses on investments	568,646	(709,699)
Changes in		
Patient accounts receivable, net	(742,893)	4,032,994
Estimated amounts due to/from third-party payers	209,747	(495,954)
Accounts payable and accrued expenses	(165,060)	100,798
Other current assets and liabilities	(921,146)	426,502
Net cash provided by operating activities	<u>10,331,950</u>	<u>13,592,831</u>
Investing Activities		
Purchase of internally designated funds	(25,136,096)	(27,476,854)
Proceeds from sale of internally designated funds	23,916,114	20,020,647
Net change in trustee held funds	(12,861)	(25,216)
Distributions from joint venture and Heartland	415,796	101,027
Purchase of property and equipment	(5,739,579)	(5,578,855)
Proceeds from sale of property and equipment	<u>12,630</u>	<u>128,168</u>
Net cash used in investing activities	<u>(6,543,996)</u>	<u>(12,831,083)</u>
Financing Activities		
Proceeds from contributions for acquisition of property and equipment	-	175,000
Principal payments on long-term debt	<u>(1,480,350)</u>	<u>(1,407,783)</u>
Net cash used in financing activities	<u>(1,480,350)</u>	<u>(1,232,783)</u>
Increase (Decrease) in Cash and Cash Equivalents	2,307,604	(471,035)
Cash and Cash Equivalents, Beginning of Year	<u>4,343,893</u>	<u>4,814,928</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 6,651,497</u></u>	<u><u>\$ 4,343,893</u></u>
Supplemental Cash Flows Information		
Interest paid, net of amount capitalized	\$ 328,191	\$ 572,034
Property and equipment in accounts payable	\$ 518,450	\$ -

Community Health Partners, Inc. d/b/a Unity Health Center

Notes to Consolidated Financial Statements September 30, 2011 and 2010

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Community Health Partners, Inc. d/b/a Unity Health Center (the Health Center) is located in Shawnee, Oklahoma. The Health Center is licensed to operate 102 acute care and 12 rehabilitation beds. The Health Center primarily earns revenues by providing inpatient, outpatient, emergency, skilled nursing and rehabilitation care services to patients in Pottawatomie County, Oklahoma.

Principles of Consolidation

The consolidated financial statements include the accounts of the Health Center and the Unity Health Foundation (the Foundation). All significant intercompany accounts and transactions have been eliminated in consolidation.

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.

Cash and Cash Equivalents

The Health Center considers all liquid investments, other than those limited as to use, with original maturities of three months or less to be cash equivalents. At September 30, 2011 and 2010, cash equivalents consisted primarily of money market accounts with brokers and certificates of deposit.

Effective July 21, 2010, the FDIC's insurance limits were permanently increased to \$250,000. At September 30, 2011, the Health Center's cash accounts did not exceed federally insured limits.

Pursuant to legislation enacted in 2010, the FDIC will fully insure all noninterest-bearing transaction accounts beginning December 31, 2010 through December 31, 2012, at all FDIC-insured institutions.

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. The investments in joint venture and Heartland are recorded under the equity method of accounting (cost plus equity in the joint venture's undistributed net income or loss since acquisition). Other investments are valued at the lower of cost (or fair value at time of donation, if acquired by contribution) or fair value. Investment return includes dividend, interest and other investment income, realized and unrealized gains and losses on investments carried at fair value, and realized gains and losses on other investments.

Community Health Partners, Inc.
d/b/a Unity Health Center
Notes to Consolidated Financial Statements
September 30, 2011 and 2010

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in unrestricted net assets. Other investment return is reflected in the accompanying consolidated statements of operations and changes in net assets as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions.

Assets Limited as to Use

Assets limited as to use include assets held by trustees and assets set aside by the Board of Directors for future capital improvements over which the Board retains control and may, at its discretion, subsequently use for other purposes. Amounts required to meet current liabilities of the Health Center are included in current assets.

Patient Accounts Receivable

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Health Center analyzes its past history and identifies trends for each of its major payer sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

For receivables associated with services provided to patients who have third-party coverage, the Health Center analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payer has not yet paid or for payers who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Health Center records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Health Center's allowance for doubtful accounts for self-pay patients increased from 80% of self-pay accounts receivable at September 30, 2010, to 85% of self-pay accounts receivable at September 30, 2011. This increase is the result of negative trends experienced in the collection of amounts from self-pay patients in fiscal year 2011.

Community Health Partners, Inc.
d/b/a Unity Health Center
Notes to Consolidated Financial Statements
September 30, 2011 and 2010

Supplies

The Health Center states supply inventories at the lower of cost, determined using the first-in, first-out method, or market

Property and Equipment

Property and equipment are depreciated on a straight-line basis over the estimated useful life of each asset. Assets under capital lease obligations are depreciated over the shorter of the lease term or their respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings and improvements	5–40 years
Land improvements	3–15 years
Equipment	5–20 years

Donations of property and equipment are reported at fair value as an increase in unrestricted net assets unless use of the assets is restricted by the donor. Monetary gifts that must be used to acquire property and equipment are reported as restricted support. The expiration of such restrictions is reported as an increase in unrestricted net assets when the donated asset is placed in service.

The Health Center capitalizes interest costs as a component of construction in progress, based on the weighted-average rates paid for long-term borrowing. Total interest incurred was:

	2011	2010
Interest costs capitalized	\$ 196,000	\$ -
Interest costs charged to expense	316,022	548,034
Total interest incurred	<u>\$ 512,022</u>	<u>\$ 548,034</u>

Deferred Financing Costs

Deferred financing costs represent costs incurred in connection with the issuance of long-term debt. Such costs are being amortized over the term of the respective debt using the straight-line method.

Net Patient Service Revenue

The Health Center has agreements with third-party payers that provide for payments to the Health Center at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered and includes estimated retroactive revenue adjustments. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such estimated amounts are revised in future periods as adjustments become known.

Community Health Partners, Inc.
d/b/a Unity Health Center
Notes to Consolidated Financial Statements
September 30, 2011 and 2010

Charity Care

The Health Center provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Because the Health Center does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as net patient service revenue.

Contributions

Gifts received with donor stipulations are reported as either temporarily or permanently restricted support. When a donor restriction expires, that is, when a time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified and reported as an increase in unrestricted net assets. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions. Conditional contributions are reported as liabilities until the condition is eliminated or the contributed assets are returned to the donor.

Income Taxes

The Health Center and Foundation have been recognized as exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Health Center and Foundation are subject to federal income tax on any unrelated business taxable income.

The Health Center and Foundation file tax returns in the U.S. federal jurisdiction. With a few exceptions, the Health Center and Foundation are no longer subject to U.S. federal examinations by tax authorities for years before 2007.

Excess of Revenues over Expenses

The accompanying consolidated statements of operations and changes in net assets include excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets).

Transfers Between Fair Value Hierarchy Levels

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the period beginning date.

Community Health Partners, Inc.
d/b/a Unity Health Center
Notes to Consolidated Financial Statements
September 30, 2011 and 2010

Change in Accounting Principle

In 2011, the Health Center changed its method of presentation and disclosure of patient service revenue, provision for bad debts and the allowance for doubtful accounts in accordance with Accounting Standards Update (ASU) 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts and the Allowance for Doubtful Accounts for Certain Health Care Entities*. The major changes associated with ASU 2011-07 are to reclassify the provision for uncollectible accounts to a deduction from patient service revenue and to provide enhanced disclosures around the Health Center's policies related to uncollectible accounts. The change had no effect on the prior year change in net assets.

The following financial statement line items for fiscal year 2010 were affected by the change in accounting principle:

	As Originally Reported	As Adjusted	Effect of Change
Total unrestricted revenues, gains and other support	\$ 82,559,156	\$ 66,315,827	\$ (16,243,329)
Total expenses and losses	\$ 79,271,828	\$ 63,028,499	\$ (16,243,329)

Reclassifications

Certain reclassifications have been made to the 2010 financial statements to conform to the 2011 financial statement presentation. These reclassifications had no effect on the change in net assets.

Note 2: Net Patient Service Revenue

The Health Center recognizes patient service revenue associated with services provided to patients who have third-party payer coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, the Health Center recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a significant portion of the Health Center's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Health Center records a significant provision for bad debts related to uninsured patients in the period the services are provided. This provision for bad debts is presented on the accompanying consolidated statements of operations and changes in net assets as a component of net patient service revenue.

Community Health Partners, Inc.
d/b/a Unity Health Center
Notes to Consolidated Financial Statements
September 30, 2011 and 2010

The Health Center has agreements with third-party payers that provide for payments to the Health Center at amounts different from its established rates. These payment arrangements include:

- **Medicare** – Inpatient acute care services and substantially all outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. The Health Center is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by the Health Center and audits thereof by the Medicare administrative contractor. The Health Center's Medicare cost reports have been audited by the Medicare administrative contractor through September 30, 2009.
- **Medicaid** – Inpatient and outpatient services provided to the state's Medicaid program beneficiaries are reimbursed on a prospective per discharge method with no retroactive adjustments. Outpatient services are reimbursed on a fee schedule basis with no retroactive adjustments. These payment rates vary according to a patient classification system that is based on clinical, diagnostic and other factors.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

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

Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the year ended September 30, 2011, was approximately:

Medicare	\$ 27,979,000
Medicaid	8,171,000
Other third-party payers	29,101,000
Self-pay	<u>9,818,000</u>
Total	<u><u>\$ 75,069,000</u></u>

**Community Health Partners, Inc.
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Note 3: Concentration of Credit Risk

The Health Center grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payer agreements. The mix of net receivables from patients and third-party payers at September 30, 2011 and 2010, is

	2011	2010
Medicare	32%	31%
Medicaid	7%	5%
Other third-party payers	47%	42%
Patients	14%	22%
	<u>100%</u>	<u>100%</u>

Note 4: Investments and Investment Return

Assets Limited as to Use

At September 30, 2011 and 2010, investments consist of the following

	2011	2010
Internally designated		
Certificates of deposit	\$ 3,457,550	\$ 3,227,674
Money market mutual funds	1,025,201	2,023,687
Corporate bonds	7,203,923	6,185,040
U.S. government and agencies securities	9,160,027	7,913,667
Equity securities		
Technology sector	2,586,327	3,072,694
Services sector	2,568,269	1,782,040
Materials sector	1,705,482	2,351,582
Health care sector	1,656,745	1,352,873
Other sectors	7,456,731	8,434,698
Interest receivable	175,036	-
	<u>36,995,291</u>	<u>36,343,955</u>
Held by trustee under indenture agreement		
Money market mutual funds	<u>2,196,840</u>	<u>2,183,979</u>
	<u>\$ 39,192,131</u>	<u>\$ 38,527,934</u>

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Total investment return is comprised of the following

	2011	2010
Interest and dividend income	\$ 1,007,351	\$ 793,005
Gain on investment in joint venture and Heartland	366,945	267,852
Realized gains on sale of securities, net	161,847	171,017
Unrealized gains (losses) on trading securities, net	(568,646)	2,721,456
Unrealized losses on other than trading securities	<u>-</u>	<u>(2,011,757)</u>
	<u><u>\$ 967,497</u></u>	<u><u>\$ 1,941,573</u></u>

Total investment return is reflected in the accompanying consolidated statements of operations and changes in net assets as follows

	2011	2010
Investment return	\$ 600,552	\$ 3,685,478
Gain on investment in joint venture and Heartland	366,945	267,852
Investment return – change in unrealized losses on other than trading securities	<u>-</u>	<u>(2,011,757)</u>
	<u><u>\$ 967,497</u></u>	<u><u>\$ 1,941,573</u></u>

In October 2009, the Health Center changed its investment strategy, which adjusted a majority of its investments to trading securities with unrealized gains and losses recorded as a component of investment return and being included in excess of revenues over expenses for the years ended September 30, 2011 and 2010. These investments were previously held as available-for-sale securities with unrealized gains and losses excluded from excess of revenues over expenses. The change required unrealized gains and losses not previously recognized in earnings to be recognized immediately. This resulted in unrealized gains of \$2,011,757 being recorded in excess of revenues over expenses for the year ended September 30, 2010.

The Health Center invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying consolidated balance sheets.

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Notes to Consolidated Financial Statements
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Note 5: Investments in Joint Ventures

Heartland Healthcare Reciprocal Risk Retention Group (Heartland)

The Health Center is a subscriber (member) of Heartland and has an approximate 12% ownership (equity) interest in Heartland. Heartland was formed as an unincorporated association approved by the state of Vermont to provide hospital professional liability and general liability coverage to its subscribers. The Health Center's investment in Heartland amounted to approximately \$783,000 at both September 30, 2011 and 2010.

The Health Center purchases its professional liability (medical malpractice) and general liability insurance coverage from Heartland (see *Note 6*). For the years ended September 30, 2011 and 2010, the Health Center paid approximately \$676,000 and \$429,000, respectively, to Heartland for the coverage.

Financial position and results of operations summarized from Heartland's audited financial statements for the fiscal years ended December 31, 2010 and 2009, are shown below:

	2010	2009
Cash and cash equivalents	\$ 1,498,473	\$ 1,964,558
Investments at fair value	12,842,373	10,676,944
Other assets	389,226	192,276
Total assets	<u>14,730,072</u>	<u>12,833,778</u>
Unpaid losses and loss adjustment expenses	5,392,522	5,702,679
Other liabilities	382,042	176,340
Total liabilities	<u>5,774,564</u>	<u>5,879,019</u>
Subscribers' surplus	<u>\$ 8,955,508</u>	<u>\$ 6,954,759</u>
Revenues	<u>\$ 3,681,912</u>	<u>\$ 3,682,022</u>
Net income	<u>\$ 1,835,714</u>	<u>\$ 1,208,987</u>

Complete financial statements of Heartland may be obtained by contacting the Health Center's management at 405 878 8110.

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Shawnee Surgical Realty, LLC (SSR)

SSR owns an outpatient surgery facility in Shawnee, Oklahoma. SSR earns revenue by leasing the facility to the Health Center. In April 2006, the Health Center entered into a lease agreement with SSR effective August 2007. The lease term is for 17 years and is for all of the space in the outpatient surgery facility owned by SSR.

The Health Center has an approximate 25% ownership in SSR and receives approximately 25% of the gain or loss of SSR. Based on the operating agreement, the Health Center appoints one of the five board members. The Health Center's investment in SSR amounted to approximately \$771,000 and \$820,000 at September 30, 2011 and 2010, respectively.

Financial position and results of operations summarized from SSR's unaudited financial statements as of and for the fiscal years ended December 31, 2010 and 2009, are shown below.

	2010	2009
Current assets	\$ 52,442	\$ 64,091
Property and other long-term assets, net	<u>2,968,260</u>	<u>3,172,718</u>
Total assets	3,020,702	3,236,809
Total liabilities	<u>1,695,829</u>	<u>1,992,524</u>
Members' equity	<u>\$ 1,324,873</u>	<u>\$ 1,244,285</u>
Revenues	<u>\$ 419,758</u>	<u>\$ 433,038</u>
Net income	<u>\$ 201,593</u>	<u>\$ 28,343</u>

Complete financial statements of SSR may be obtained by contacting the Health Center's management at 405 878 8110.

Note 6: Medical Malpractice Coverage and Claims

The Health Center purchases medical malpractice insurance under a claims-made policy on a fixed premium basis. Accounting principles generally accepted in the United States of America require a health care 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. Based upon the Health Center's claim experience, no such accrual has been made. It is reasonably possible that this estimate could change materially in the near term.

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The Health Center is a member of Heartland, an entity approved by the state of Vermont to provide hospital professional liability and general liability coverage to its subscribers. Heartland was formed in order to stabilize the cost and availability of hospital professional and general liability insurance by taking advantage of the self-funding capabilities of a homogenous group of health care providers. Heartland members are provided hospital professional and general liability insurance under claims-made policies on a fixed premium basis. See *Note 5* for additional information about Heartland.

Note 7: Property and Equipment

Property and equipment as of September 30, 2011 and 2010, were as follows:

	2011	2010
Land	\$ 538,372	\$ 538,372
Land improvements	2,086,752	734,317
Buildings and improvements	30,309,949	33,106,077
Fixed equipment	1,985,425	2,053,252
Major moveable equipment	44,222,784	38,123,238
Construction in progress	4,702,351	3,182,804
	<u>83,845,633</u>	<u>77,738,060</u>
Less accumulated depreciation	<u>43,113,606</u>	<u>38,732,979</u>
	<u><u>\$ 40,732,027</u></u>	<u><u>\$ 39,005,081</u></u>

Note 8: Long-Term Debt

	2011	2010
Revenue bonds (A)	\$ 4,630,548	\$ 5,682,916
Note payable, bank (B)	2,380,287	2,680,253
Capital lease obligation (C)	3,559,176	3,728,338
	<u>10,570,011</u>	<u>12,091,507</u>
Less current maturities	<u>1,566,262</u>	<u>1,515,737</u>
	<u><u>\$ 9,003,749</u></u>	<u><u>\$ 10,575,770</u></u>

(A) Series 2004 Hospital Revenue Refunding Bonds (the Bonds) consist of Hospital Revenue Bonds in the original amount of \$10,475,000 dated February 1, 2004, which bear interest at 3.375% to 5%. The Bonds are payable in annual installments through October 1, 2014. The Health Center is required to make monthly deposits to the debt service fund of approximately \$105,000.

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The Oklahoma Development Finance Authority (the Authority) issued the Bonds on behalf of the Health Center. The Bonds are secured by the net revenues and accounts receivable of the Health Center and the assets restricted under the bond indenture agreement. The Bonds have not been guaranteed by the Authority.

The indenture agreement requires that certain funds be established with the trustee. Accordingly, these funds are included as assets limited as to use held by trustee in the accompanying consolidated financial statements. The indenture agreement also requires the Health Center to comply with certain restrictive covenants, including minimum insurance coverage, maintaining a historical debt service coverage ratio of at least 1.2 to 1.0, a minimum days cash on hand requirement and restrictions on incurrence of additional debt.

When the Bonds were issued, they were sold at a premium of approximately \$465,000. The outstanding balance of the Bonds at September 30, 2011 and 2010, is as follows:

	2011	2010
Principal amount	\$ 4,490,000	\$ 5,500,000
Plus unamortized premium	<u>140,548</u>	<u>182,916</u>
Net amount outstanding	<u><u>\$ 4,630,548</u></u>	<u><u>\$ 5,682,916</u></u>

- (B) Note payable to bank, due November 2018, payable monthly, including interest at 75% of the prime rate (2.44% at September 30, 2011 and 2010), secured by Health Center revenues.

The note agreement requires the Health Center to comply with certain restrictive covenants, including maintaining a historical debt service coverage ratio of at least 1.25 to 1.00 and a minimum net worth requirement.

- (C) Capital lease obligation at a 6.991% rate of imputed interest, due monthly through August 2024, collateralized by building and land. Land, buildings and improvements include the following assets under capital lease:

	2011	2010
Land	\$ 153,000	\$ 153,000
Buildings and improvements	<u>4,015,498</u>	<u>4,015,498</u>
	4,168,498	4,168,498
Less accumulated depreciation	<u>984,191</u>	<u>747,985</u>
	<u><u>\$ 3,184,307</u></u>	<u><u>\$ 3,420,513</u></u>

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Aggregate annual maturities of long-term debt and payments on capital lease obligation at September 30, 2011, are

	Long-Term Debt	Capital Lease Obligation
2012	\$ 1,390,095	\$ 419,758
2013	1,447,680	419,758
2014	1,515,452	419,758
2015	1,554,492	419,758
2016	339,208	419,758
Thereafter	763,908	3,318,230
	<u>\$ 7,010,835</u>	5,417,020
Less amount representing interest		<u>1,857,844</u>
Present value of future minimum lease payments		3,559,176
Less current maturities		<u>176,167</u>
Noncurrent portion		<u>\$ 3,383,009</u>

Note 9: Self-Insured Plans

The Health Center sponsors a health care plan for its employees. This plan is self-insured to the extent of the deductible amounts under the excess risk insurance policies the Health Center has obtained. Accruals for unpaid claims in the amounts of approximately \$350,000 and \$450,000 are included in other accrued expenses on the accompanying consolidated balance sheets at September 30, 2011 and 2010, respectively.

The Health Center sponsors a workers' compensation plan that is self-insured to the extent of the deductible amounts under the excess risk insurance policies the Health Center has obtained. The Health Center has obtained a letter of credit for \$850,000, as required by state law, to support this self-insured program. Accruals for unpaid claims in the amounts of approximately \$1,543,000 and \$565,000 are included in other accrued expenses on the accompanying consolidated balance sheets at September 30, 2011 and 2010, respectively.

Note 10: Charity Care and Other Community Benefits

In support of its mission, the Health Center voluntarily provides free care to patients who lack financial resources and are deemed to be medically indigent. Because the Health Center does not pursue collection of amounts determined to qualify as charity care, they are not reported in net patient service revenue. In addition, the Health Center provides services to other medically indigent patients under certain government-reimbursed public aid programs. Such programs pay providers amounts which are less than established charges for the services provided to the recipients and many times the payments are less than the cost of rendering the services provided.

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The Health Center's estimated cost to provide charity care and uncompensated services to Medicaid beneficiaries based upon cost as determined by the Health Center's Medicare cost to charge ratio at September 30, 2010, for the years ended September 30, 2011 and 2010, are summarized below

	2011	2010
Charity allowances	\$ 842,000	\$ 684,000
Medicaid	<u>6,349,824</u>	<u>6,710,000</u>
	<u><u>\$ 7,191,824</u></u>	<u><u>\$ 7,394,000</u></u>

In addition to uncompensated charges, the Health Center also commits significant time and resources to endeavors and critical services which meet otherwise unfilled community needs. Many of these activities are sponsored with the knowledge that they will not be self-supporting or financially viable. Such programs include health screening and assessments, prenatal education and care, community educational services and various support groups.

Note 11: Functional Expenses

The Health Center provides health care services primarily to residents within its geographic location, including acute inpatient, emergency care, outpatient diagnostic, skilled nursing and outpatient surgery. Expenses related to providing these services are summarized as health care services. General and administrative expenses include interest expense.

	2011	2010
Health care services	\$ 49,211,930	\$ 51,391,343
General and administrative	<u>10,876,128</u>	<u>11,637,156</u>
	<u><u>\$ 60,088,058</u></u>	<u><u>\$ 63,028,499</u></u>

Note 12: Pension Plans

Defined Contribution Plan

The Health Center has a defined contribution pension plan covering substantially all employees who have at least one year of service and are age 21 or older. The Board of Directors annually determines the amount, if any, of the Health Center's contributions to the plan. Pension expense was approximately \$706,000 and \$669,000 for the years ended September 30, 2011 and 2010, respectively.

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Deferred Compensation Agreement

The Health Center has a deferred compensation agreement for the sole purpose of retaining physicians under Section 457(f) of the Internal Revenue Code. The agreement is funded by investments held by the Health Center. This deferred compensation agreement was terminated during 2011 and all funds were paid to the physician. The deferred compensation asset and liability amounted to approximately \$0 and \$750,000 at September 30, 2011 and 2010, respectively.

Note 13: Disclosures About Fair Value of Assets and Liabilities

Accounting Standards Codification Topic 820, *Fair Value Measurements* (Topic 820), defines fair value 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. Topic 820 also specifies a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Topic 820 describes three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy.

Investments

Where quoted market prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy. Level 1 investments include money market mutual funds, exchange-traded equity securities and corporate bonds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of investments with similar characteristics or discounted cash flows and are classified within Level 2 of the valuation hierarchy. Level 2 investments include U.S. government and agencies securities and certificates of deposit. In certain cases where Level 1 or Level 2 inputs are not available, investments are classified within Level 3 of the hierarchy. There were no Level 3 investments as of September 30, 2011 or 2010.

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The following table presents the fair value measurements of assets recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2011 and 2010

		Fair Value Measurements Using		
		Quoted Prices		
		in Active	Significant	Significant
		Markets for	Other	Unobservable
		Identical	Observable	Inputs
		Assets	Inputs	Inputs
		(Level 1)	(Level 2)	(Level 3)
		Fair Value		
2011				
Certificates of deposit	\$ 3,457,550	\$ -	\$ 3,457,550	\$ -
Money market mutual funds	\$ 3,222,041	\$ 3,222,041	\$ -	\$ -
Corporate bonds	\$ 7,203,923	\$ 7,203,923	\$ -	\$ -
U S government and agencies securities	\$ 9,160,027	\$ -	\$ 9,160,027	\$ -
Equity securities				
Technology sector	\$ 2,586,327	\$ 2,586,327	\$ -	\$ -
Services sector	\$ 2,568,269	\$ 2,568,269	\$ -	\$ -
Materials sector	\$ 1,705,482	\$ 1,705,482	\$ -	\$ -
Health care sector	\$ 1,656,745	\$ 1,656,745	\$ -	\$ -
Other sectors	\$ 7,456,731	\$ 7,456,731	\$ -	\$ -
2010				
Certificates of deposit	\$ 3,227,674	\$ -	\$ 3,227,674	\$ -
Money market mutual funds	\$ 4,207,666	\$ 4,207,666	\$ -	\$ -
Corporate bonds	\$ 6,185,040	\$ 6,185,040	\$ -	\$ -
U S government and agencies securities	\$ 7,913,667	\$ -	\$ 7,913,667	\$ -
Equity securities				
Technology sector	\$ 3,072,694	\$ 3,072,694	\$ -	\$ -
Services sector	\$ 1,782,040	\$ 1,782,040	\$ -	\$ -
Materials sector	\$ 2,351,582	\$ 2,351,582	\$ -	\$ -
Health care sector	\$ 1,352,873	\$ 1,352,873	\$ -	\$ -
Other sectors	\$ 8,434,698	\$ 8,434,698	\$ -	\$ -

The following methods were used to estimate the fair value of all other financial instruments recognized in the accompanying consolidated balance sheets at amounts other than fair value

Cash and Cash Equivalents

The carrying amount approximates fair value

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Long-Term Debt (Excluding Capital Lease Obligation)

Fair value is estimated based on the borrowing rates currently available to the Health Center for bank loans with similar terms and maturities

The following table presents estimated fair values of the Health Center's financial instruments at September 30, 2011 and 2010

	2011		2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Cash and cash equivalents	\$ 6,651,497	\$ 6,651,497	\$ 4,343,893	\$ 4,343,893
Certificates of deposit	\$ 3,457,550	\$ 3,457,550	\$ 3,227,674	\$ 3,227,674
Money market mutual funds	\$ 3,222,041	\$ 3,222,041	\$ 4,207,666	\$ 4,207,666
Corporate bonds	\$ 7,203,923	\$ 7,203,923	\$ 6,185,040	\$ 6,185,040
U.S. government and agencies securities	\$ 9,160,027	\$ 9,160,027	\$ 7,913,667	\$ 7,913,667
Equity securities				
Technology sector	\$ 2,586,327	\$ 2,586,327	\$ 3,072,694	\$ 3,072,694
Services sector	\$ 2,568,269	\$ 2,568,269	\$ 1,782,040	\$ 1,782,040
Materials sector	\$ 1,705,482	\$ 1,705,482	\$ 2,351,582	\$ 2,351,582
Health care sector	\$ 1,656,745	\$ 1,656,745	\$ 1,352,873	\$ 1,352,873
Other sectors	\$ 7,456,731	\$ 7,456,731	\$ 8,434,698	\$ 8,434,698
Financial liabilities				
Long-term debt	\$ 7,010,835	\$ 7,225,230	\$ 8,363,169	\$ 8,587,651

Note 14: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Allowance for Net Patient Service Revenue Adjustments

Estimates of allowances for adjustments included in net patient service revenue are described in Notes 1 and 2.

Medical Malpractice Claims

Estimates related to the accrual for medical malpractice claims are described in Note 6.

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September 30, 2011 and 2010

Admitting Physicians

The Health Center is served by three physician groups whose patients each comprise over 10% of the Health Center's gross patient service revenue

Litigation

In the normal course of business, the Health Center is, from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in areas not covered by the Health Center's self-insurance programs (discussed elsewhere in these notes) or by commercial insurance, for example, allegations regarding employment practices or performance of contracts. The Health Center evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of counsel, management records an estimate of the amount of ultimate expected loss, if any, for each of these matters. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

Current Economic Conditions

The current protracted economic decline continues to present hospitals with difficult circumstances and challenges, which in some cases have resulted in large and unanticipated declines in the fair values of investments and other assets, large declines in contributions, constraints on liquidity and difficulty obtaining financing. The accompanying consolidated financial statements have been prepared using values and information currently available to the Health Center.

Current economic conditions, including the high unemployment rate, have made it difficult for certain of the Health Center's patients to pay for services rendered. As employers make adjustments to health insurance plans or more patients become unemployed, services provided to self-pay and other payers may significantly impact net patient service revenue, which could have an adverse impact on the Health Center's future operating results. Further, the effect of economic conditions on the state may have an adverse effect on cash flows related to the Medicaid program.

Given the volatility of current economic conditions, the values of assets and liabilities recorded in the accompanying consolidated financial statements could change rapidly, resulting in material future adjustments in investment values and allowances for accounts receivable that could negatively impact the Health Center's ability to meet debt covenants or maintain sufficient liquidity.

Note 15: Subsequent Events

The Health Center has been engaged in discussions with SSM Healthcare for the purpose of evaluating the existing affiliated relationship. The goal is to determine if there is an opportunity to expand or change the relationship in a manner that will improve health care services in the community. The Health Center is currently in negotiations with SSM Healthcare to become a fully integrated member of the system through acquisition.

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Subsequent events have been evaluated through the date of the Independent Accountants' Report, which is the date the financial statements were available to be issued

Note 16: Future Change in Accounting Principle

The Financial Accounting Standards Board recently issued ASU 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries*, which no longer permits health care providers to net insurance recoveries against related claim liabilities. Providers should record a liability for the total estimated liability associated with an insurance claim and a receivable to the extent the provider is indemnified for the claim by insurance coverage. The Health Center expects to first apply the ASU during its fiscal year ending September 30, 2012, through retrospective application to previous years' statements for comparative purposes. The impact of applying the ASU has not yet been determined.

Additional Data

Software ID:
Software Version:
EIN: 73-1347360
Name: COMMUNITY HEALTH PARTNERS INC

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

4d. Other program services					
(Code) (Expenses \$	7,011,176	including grants of \$) (Revenue \$	5,588,129)
WOMEN'S CENTER					